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Immigrant women entrepreneurs in Australia

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Immigrant women entrepreneurs in Australia

Abstract

The primary aim of this study is to identify those factors which are most important to the successful operation of a small business by immigrant women. It is one of a series of research projects designed to provide information which can be used to improve existing support services and to provide services targeted towards the needs of immigrant small business women.

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Paper No.14

Immigrant Women
Entrepreneurs in Australia

KERMOND/LUSCOMBE
STRAHAN/WILLIAMS

Working Papers on Multiculturalism No.14

Immigrant Women Entrepreneurs in Australia

*C. L. Kermond, K. E. Luscombe,
K. W. Strahan and A. J. Williams*

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CHAPTER 1: INTRODUCTION

The primary aim of this study is to identify those factors which are most important to the successful operation of a small business by immigrant women. It is one of a series of research projects designed to provide information which can be used to improve existing support services and to provide services targeted towards the needs of immigrant small business women.

There is growing recognition of the importance of small business to the economy and there have been some efforts to identify the problems faced by small business operators generally. Immigrant entrepreneurs have played an important role in the development of the Australian small business sector.

Although research into immigrant small business is still in its early stages in Australia and developing overseas, it has become clear that immigrant small business women face additional problems to those faced by immigrant small business men and small business generally (Strahan and Williams, 1988).

The experience of women in all occupations indicates that differences in background, opportunity to enter a career and community attitudes to women in particular roles influence their occupational experience, and their likelihood of success. This has been found to be particularly true in occupations which are not traditionally female. The clear minority of women involved in small business indicates that it is not a traditional occupation for women.

This project has been designed to describe immigrant small business women and their businesses, and to identify the problems they face and the reasons for failure in their enterprises in order to better target support services for immigrant small business women and facilitate development in this sector. In establishing their strengths and weaknesses it is hoped that Government services will be more appropriately directed toward improving the entrepreneurial experience of small business women and making the most of their potential contribution to the community.

The longitudinal data base on which this study is based is a unique source of information about the small business person and their enterprise. The data base was developed by Professor Alan Williams and contains information about more than 10,000 small businesses collected over a 12 year period. Importantly small business women constituted a small part of this data base and their characteristics have been drawn out and compared with others in the sample.

In some respects the data collected in the original data base reflects the limitations of the little existing research in this area. By using an interview schedule which did not explicitly explore issues unique to the small business woman, some of these issues were not adequately investigated. By using bank officials as the primary contact, the sample is biased away from women who began their business using non-traditional sources of finance. This means that the sample is not entirely representative of the population of immigrant small business women. It is also not possible to distinguish between women from English speaking and non-English speaking backgrounds. The experience of these two groups may vary significantly in terms of background, path-of entry into small business and problems experienced as an owner/manager.

The second source of data used in this study was qualitative data generated by a series of group discussions with immigrant women, currently involved in managing their own business. A pool of twelve women participated in seven group discussions over the period of the study. Between 6 and 8 women attended each discussion.

This group played an important role in contributing their experiences, giving concrete reality to the data, and highlighting those issues not adequately addressed by the main data base. The study benefited greatly from the constructive criticism and information provided by this group.

Content of the Report

The remainder of Chapter 1 discusses the literature relevant to women and immigrant women in small business and discusses the characteristics of small business and the factors affecting business success and failure. It also discusses the research methodology employed to generate the data upon which this report is based.

Chapter 2 discusses the characteristics of the immigrant small business women and her business, comparing the experience of immigrant women with non-immigrant women and males (regardless of country of birth).

Chapter 3 discusses factors which are significantly related to success of small business.

Chapter 3 draws out the key findings of the study and makes recommendations on means of improving small business assistance to immigrant workers.

Chapter 4 concludes the report.

In an earlier report (Strahan & Williams 1988) to the Office of Multicultural Affairs we discussed, in detail, the history of Australian immigration since the World War II and the importance of the small business sector to the Australian economy.

It is not our intention to repeat that discussion here. However, it is necessary to establish adequately the characteristics of small business and the reasons for small business success and failure as a basis for our discussion of small business operated by immigrant women.

This report will draw to a limited extent on the concepts developed in the earlier report.

Defining Small Business

A quantitative definition on small business focusing on the numbers of employees, the size of the capital base or the volume of sales of the enterprise, fails to reflect the diversity of the small business sector.

Small business is therefore more appropriately defined in terms of characteristics of the enterprise. These characteristics have been drawn from the literature by a number of Australian authors (Williams 1987; Meredith 1985). According to them, small businesses are enterprises in which:

managers are independent and are usually the owners of the enterprise.

- capital is supplied and ownership is maintained by an individual or small group of individuals.
- the operation of the enterprise is localized, drawing the owner and workers from a local community. Markets may be more extensive however.
- their smallness is relative to the size of the largest enterprises in the industry.

Consistent with this approach, the Wiltshire Committee (1971 p.11) defined a small business as one in which ...

one or two persons are required to make all the critical management decisions - finance, accounting, personnel, purchasing ... without the aid of internal specialists, and with specific knowledge in one or two functional areas.

The Committee offered a quantitative definition of small business for Australia which suggested that enterprises employing less than 100 employees are likely to be characterised in this way. In recent years, this quantitative definition has been further refined by classifying enterprises in the retail and services sector employing 20 people or less, and enterprises in the manufacturing sector employing 100 people or less, as small business. The definition of small business used in this study will be discussed in the section on research methodology.

Characteristics of Small Business

The characteristics and behaviour of small enterprise derive primarily from two factors—the small scale of the operation and the day-to-day involvement of the owner/manager.

Wilkie and Deeks (1973) characterised the management processes of small enterprises as being primarily adaptive and tactical in order to adjust to resource constraints; greatly influenced by the skills, experience, attitudes and personality of the owner/manager and relying on informal, organic and loosely structured relationships in the enterprise and outside it.

In examining and interpreting the actions of small business people and in identifying actions which could be supportive of the growth and vitality of this sector, it is

necessary to take clear account of the influence of smallness and the individual skills and attitudes of the owner/manager, on the operation of the small business enterprise.

These two factors are the basic source of a range of small enterprise characteristics which are discussed below.

The small enterprise tends to be based on one or two owner managers who are responsible for a wide range of roles. The success of the business tends therefore to depend heavily on the competence and skills of these managers.

As a consequence of smallness and limited resources, managers and staff of small enterprises are compelled to become generalists.

However small business people, especially 'craft entrepreneurs' (Smith, 1967), are likely to have a narrow skill and experience base and to put very limited value on education and training.

A lack of resources and skills leads many small businesses to ignore business planning and the creation of adequate management information and control systems, to rely on intuitive decision making, to be reactive, and to avoid difficult or disagreeable decisions.

Small enterprises tend to have very limited control over their external environment. In many cases they rely on a single major product sold to a few customers upon whom they are extremely dependent. Financial institutions tend to be reluctant to lend to small enterprises and place considerable constraints and pressure on them when finance is provided.

Small enterprise tends to rely on labour intensive methods and use very limited process and product technology. They are constrained in many cases by a lack of knowledge about new methods and technologies and limited resources to finance the purchase of new capital equipment.

However, employees tend to identify more highly with small enterprises. Loyalty to the firm may be translated into low staff turnover and less industrial disputes.

A limited product range and dedication to the product long after it has reached the mature stage of its life cycle, can make small enterprises inefficient and uncompetitive, vulnerable to changes in consumer taste and to technical obsolescence.

Many small business owners are extremely defensive about their ownership and control of their enterprise. They tend not to be willing to delegate responsibility and may accept constrained growth of their enterprise in order to keep it within their direct control.

This concern about control also limits the financial options of many small firms. A highly proprietorial owner is typically unwilling to finance growth through equity raising if this route threatens his/her independence and control.

Finally, the operation of small enterprises tends to be strongly influenced by family interests. Family support can assist in the establishment and operation of a small business. However, interference by family members or orientation of the enterprise toward non-business objectives may undermine its viability.

Small enterprises are characterized and behave in ways which are quite different from large organizations. These unique characteristics must therefore be carefully considered in the process of examining the reasons for the success or failure of small enterprises. Similarly, these characteristics must influence our search for initiatives which will make small enterprises more successful.

Reasons for Small Business Success and Failure

Throughout the literature, lack of business and management skills stand out as the primary reason small businesses fail. Management errors and shortcomings (Cover 1933), managerial inexperience and incompetence (Dunn and Bradstreet) and poor management performance (Williams 1987) have, over many years, been identified as major contributors to business failure.

Clearly, management incompetence and shortcomings are fatal in the small business environment, where the decisions of one or two managers are critically important for the success of the organization. 'Management errors and incompetence', however, disguises a range of problems which will need to be examined some detail later.

The literature suggests that distinctions can be made between successful and failed firms on the basis of managerial skills, experience and knowledge (Mayer and Goldstein, 1961; Fredland and Morris, 1976; Williams, 1975 and 1982).

Poor management skills are the result of a lack of managerial or supervisory experience and low levels of education. Naturally, the impact of the lack of these skills is felt in all areas of business operation including staffing, budgeting, planning and service delivery.

For the majority of small business owners, it is manifested most clearly in poor accounting and record keeping, and in many cases, accounts are nonexistent. In others, they are so far behind or badly done as to be useless for planning or budgetary purposes.

The present study relies heavily on research work by Williams (1987) who has undertaken the most thorough examination of small business success and failure in Australia. His research has sought to probe beneath the surface of causes of business success and failure, and to flesh out the meaning of managerial incompetence or error and the reasons for it. He identified eight factors which influence small business success and failure. These include financial management and liquidity, management incompetence and inexperience, inflation and economic conditions, poor books and records, sales and marketing problems, staffing problems, union problems and interference and failure to seek and use external advice. The importance of these factors is summarized in Table 1.2 below.

TABLE 1.1 REASONS FOR FAILURE, BY MAJOR CATEGORIES

RANK	MAJOR GROUPS	FIRMS NUMBER	
1.	Financial Management & Liquidity	1811	32.09
2.	Management Incompetence, Inexperience	824	14.59
3.	Inflation and Economic Conditions	701	12.42
4.	Poor Books and Records	692	12.26
5.	Sales/Marketing Problems	607	10.75
6.	Staffing Problems	510	9.03
7.	Union Problems and 'Interference'	350	6.19
8.	Failure to Seek and Use External Advice	151	2.68
TOTAL		5646	100.00%

The majority of these factors relate to internal variables and are embodied in the operation of the enterprise itself. A number of factors, however, which influence failure or success are external to the organization. The influence of external factors is

characterised by the view that there exists a relationship between the size of and fluctuations in the small business population and the growth of and fluctuations in the aggregate economy. It is argued that economic boom and bust create serious operating difficulties for small enterprises (Popkin, 1981; Birch and McCracken, 1981). The literature also identifies specific external factors such as inflation, wages, interest rates; and union interference.

The focus of this study is primarily on the internal factors which affect the success or failure of immigrant owned small business. Issues such as Government regulation and other external factors having a direct impact on business activity are also examined.

In addition to the eight factors outlined above which directly impact on small business success and failure, Williams (1987) investigated a range of other factors which influence success or failure of a small enterprise including personal characteristics of the owner/manager, preparation for business, and family support.

He found that the type of education received by small entrepreneurs influences their success or failure. He shows, however, that the level of education achieved is not significant, but those owner/managers who have received formal education in areas *relevant to their business* have significantly increased chances of business survival. He also found a significant relationship between those owners who had undertaken some kind of formal management training and business success. A similar relationship was found for those owners who had extensive and relevant occupational experience.

Williams' research suggests that appropriate preparatory work prior to business establishment is an important factor in influencing success and failure. Business people who had engaged in a consultative and research program in preparation for business establishment were shown to have a greater chance of business success than those who commenced without preparation.

Those owners who continued to undertake research and engaged in regular and frequent review of business location, operation and business image were also found to significantly improve their business chances.

Family support and family involvement emerged as important variables in predicting success or failure. Those business owners who had a father involved in entrepreneurship or within small business ownership were seen to have much greater chances of success

than those whose fathers were engaged in other kinds of work. Small business people whose fathers were employed as professionals or in clerical positions were found to have the worst chances of business success. Similarly those who had a privileged or wealthy family background were found to have very poor chances of small business success, whilst those owners of lower middle class or even working class parentage were found to have reasonable chances of business success.

Williams' research also identifies a range of psychological factors which influence success or failure.

Managers with strong work orientation and an aggressive interpersonal style tended to be more successful than those with a people-orientation and more compliant interpersonal style.

Small business people who had a high tolerance to ambiguity and made decisions under conditions of uncertainty, not by taking excessive risks or being excessively risk-averse, were found to have superior entrepreneurial performance.

Small business people with 'a disposition to approach success' or high task and achievement motivation were also found to be more successful than those without such motivation.

This general discussion of factors influencing small business success and failure provides a framework for consideration of immigrant entrepreneurs and their success and failure. In our later examination of these data, it will be necessary to identify those factors influencing success and failure which are generalized to the total small business population and those factors which are specific or unique to immigrant women who own and manage small businesses.

Immigrant Women in Small Business

Introduction

Research into immigrant women and small business is extremely limited. The very limited research information about women and immigrant women in small business is further undermined by the use of criteria established for research into male small

business people, thus avoiding identifying issues which may be unique or of special significance to women and immigrant women, for example finance and child care.

There is also a tendency in the research literature to use small numbers of women in the sample and to concentrate on case study and group interview techniques only.

Discussion of small business women tends to raise the issue especially in US research, of the growing number of women-run businesses and their economic contribution. It is repeatedly pointed out in American, Canadian, English and Australian literature that the numbers of women-run businesses are increasing at a far greater rate than those started by males (M Devine and D Clutterbuck, 1985). This represents an increasing contribution to the economy in terms of employment and economic output.

It has also been speculated, particularly in Australia, that as the traditionally dominant role of the primary industry sector decreases, small businesses in the increasingly diverse service sector particularly those making use of new technologies, will become increasingly important, (K Olive, 1988, OECD Seminar 1985). Women are concentrated in the service sector so their contribution through small business can be expected to grow even further.

There is a growing body of research which contemplates the use of self-employment by women as a means of job creation and of combating poverty. In the United States, Women's Initiative for Self-Employment (WISE), has promoted research into self employment as a means of economic improvement for low income women. Also in the United States the HUB Co-ventures for Women's Enterprise, and the Women's Economic Development Corporation (WEDCO), have initiated schemes to improve women's access to small businesses. Working on a local level WEDCO has concentrated on building good relations with the banks, developing supportive contacts within the business community, creating a fund for small loans and organising training-schemes of particular relevance to areas of weakness identified for women.

In Western Australia the HUB Committee, using the American model, has prepared a report for the Women's Enterprise division of the Department of Employment and Training. The report aims to identify the main barriers to women wanting to start their own business. The Committee made a number of recommendations to improve the quality of resources and information available both to women currently involved in their own business and to those who are contemplating starting an entrepreneurial

career. Particular reference was made to targeting services to women who are socially and economically disadvantaged.

The researchers were unable to identify any literature which compares the experience of immigrant and non-immigrant women in small business. Literature which compares male and female small business people tends not to make a distinction as to ethnic background.

Research involving immigrant and non-immigrant small business women can be generalised under the following headings:

1. Profiles of the small business woman.
2. Comparison of women with men in small business.
3. Discussion of immigrant small business people including immigrant women.
4. Discussion of problems specific to immigrant and Australian born women.

Characteristics of the Small Business Woman

Age

Small business women were found to be generally aged between 35 and 45 years, (R.D.Hisrich and C.Brush, 1984). This is usually explained by women being less affected by the demands of family/domestic commitments at a later age, (C.G.Brush and R.D.Hisrich, 1984 and 1988).

Although research is inconclusive as to whether women tend to be older or younger than their male counterparts, women's businesses tend to have been in operation for a shorter period than male owned businesses.

Background

Family Background

The small business woman's background has typically been found to be middle or upper class, with one parent self employed, (Watkins and Watkins 1984, G.Gregg 1985, M Devine and D.Clutterbuck 1985).

The occupation of the father is most often specified. The occupation and role of the small business women's mother is rarely noted, although some research does suggest

that the mother may be an equally if not more important role model for the business woman, (Watkins and Watkins 1984). Where the mother's occupation has been specified she is generally classified as 'home maker' or not self-employed, (R.D.Hisrich and C.Brush 1985). It has also been noted that women suffer from the lack of the traditionally unpaid assistance provided to the small business man by a wife (Birley, Moss and Saunders 1987). Generally women are likely to be in quite different life circumstances from male business men. They are likely to be the primary carer for children or other dependents, to be responsible for a large proportion of domestic duties and not enjoy the support of a male partner.

Education

Women tend not to be encouraged towards a range of educational options which might develop entrepreneurial skills. They tend to be presented with excessively restrictive career choices which tend to be less business oriented and more focused on the nurturing role either in the caring professions or through parenting.

Consequently the research repeatedly mentions the irrelevance of women's educational experience, (G.Gregg 1985; L.A Stevenson, 1986) to small business management.

This slightly pessimistic view of the irrelevance of women's education appears to rest on a narrow view of education experience relevant to small business.

In many non business oriented courses women learn about and develop skills, relating to administration and record keeping, staff management, planning and decision making. Such courses provide an important but insufficiently recognised base for entrepreneurship.

Women are also less likely to seek or gain employment in management and other positions which could help to generate key entrepreneurial skills and business experience. Opportunities and skills suffer due to the stereotyping women in education (US Congress Report 1988). Their choices tend to be restricted through this stereotyping the educational system largely fails to encourage women into non traditional or entrepreneurial career paths.

It is generally agreed that small business women tend to be better educated than the general population and to a lesser extent, better educated than male entrepreneurs. Although they may have achieved a higher level of education, women are far more

likely than men to find their education irrelevant to a career in small business. The most common area of education for women was in the liberal arts, (L.A. Stevenson 1986, Hisrich and Brush 1984 and 1988).

S.C.Buerk (1978) found that women were more willing than men to participate in education and training relevant to the management of small business, (also Welsch and Young 1984). In a Canadian study on women entrepreneurs, J.White (1984) found that the majority of students in courses on small business management were women.

Formal educational opportunities for women who are and who intend to operate their own businesses may be of considerable importance given women's lack of access into traditionally male dominated business networks which provide considerable informal educational experience.

Employment/Experience

Although women tend to have been employed for several years before starting their own business they lack management level experience. Women tend to lack experience in business and have less managerial or relevant prior experience than men. This has been repeatedly identified as a problem for female business owners, (L.A.Stevenson 1986, M Devine and D.Clutterbuck 1985, Watkins and Watkins 1984). It is also consistently identified in the literature as a problem of gender discrimination whereby women hit the 'glass ceiling'. They are prevented from progressing beyond a certain level of an organisation as a result of decisions made by their male bosses.

In many cases this experience of discrimination provides a strong motivation for women to establish their own businesses.

It has also been found that a lack of business experience contributes to difficulty attracting loans from financial institutions, (R.D.Hisrich from D.L.Sexton and R.W.Simlor, eds 1986). This vicious circle of gender discrimination excludes many women from small business ownership.

Training

Several studies have established that while women are more likely to lack relevant experience and education, they are far more willing to take opportunities to improve business skills, both as a preparation for going into business, and to improve areas of

weakness while operating a business. This may take the form of short courses, seminars, or government run training schemes, (J.White 1984; S.Birley, C.Moss, P.Saunders 1987).

The Victorian Women's Consultative Council's report to the Premier on Small Business found that the main barriers to women attending business training courses were unsuitable venues, time tabling of classes, and cost of classes. This study also found that 51% of women would prefer to attend women-only courses. Although evidence as to whether women would benefit from women-only courses was inconclusive, several studies found that women prefer to learn from female instructors, (VWCC, 1988).

Personal Traits

Many entrepreneurial traits like energy, need for achievement and success motivation are found to be shared by both male and female small business owners. For example Welsch and Young (1984) reported no sex-related differences for psychological traits such as locus of control, openness to risk taking, and innovation. Although the study found no differences between men and women in terms of level of self esteem, it was suggested that women's self esteem may increase through involvement in their own business venture.

Very few studies attempted to assess the relationship between self-esteem or self-confidence, and taking on a small business immigrant or non-immigrant women.

Motivation

Particular attention has been given to women's motivation for starting their own business. The most common reasons given are the desire for independence, need for achievement and greater flexibility and job dissatisfaction: Desire for profits and expression of creativity are given less priority. Although research assessed women's motivation for starting an entrepreneurial career using a variety of criteria, it was commonly agreed that women react to dissatisfaction when they make the transition to self-employment.

L.A.Stevenson (1986) concluded that unlike men, women are motivated by sex related disadvantages such as poor employment opportunities and the need for flexibility to cope with domestic arrangements. L.V.Still and C.M.Guerin, and M. Devine and Clutterbuck (1985) and others, noted that women who start their own businesses are reacting to dissatisfaction with their current situation. R.D.Hisrich agreed with this view and found that while women tend to be reacting to job frustration and are

motivated by the desire for independence and achievement, men tend to nominate for their main reasons, the desire to control their own destiny and make things happen.

Women are motivated primarily by need for independence, followed by need to achieve. Men are also motivated by need for achievement, but place a greater priority on earning, (Schwartz 1979, Hisrich and Brush 1983).

To take the initial step towards starting their own business women need to be more highly motivated than men, (S.Birley, C.Moss, P.Saunders 1987).

Lack of Self Esteem

Several studies discuss the 'confidence gap' experienced by women with little experience of the business culture. This is also linked to the lack of female role models in business. (G.Gregg 1985; US Congress Report 1988; S.C.Buerk 1987). Some sources, for example, 'Entrepreneurship', (ref Rae Mathews) found that women's self esteem improves substantially after starting their own business.

Managerial Style

There has been some comparison in the literature of the management styles of male and female small business people.

As a result of particular employment experience and motivation for starting their own business, women may be expected to have different priorities to men in their undertaking of the owner and manager role. M Devine and D.Clutterbuck (1985), found that women tend to be more flexible and to show a greater concern for working relationships. They attribute differences in style between male and female managers largely to women's lack of experience at the 'hard end' of business and to other differences in background. C.Camden and J.Witt (1983), found that women managers are better communicators than men, being both more receptive to employee's ideas and better at delivering information. It has also been found that women place a higher value on morale, (C.Camden and J.Witt 1983, E.Wojahn 1986, J.White 1984). While some studies have attributed this to a combination of the nurturing role with the need for achievement, (M Devine and C.Clutterbuck 1985, B.Presley Noble 1986), this may be explained by differences in employment and educational backgrounds, motivation for starting the business, and possibly differences in success criteria.

Role Models and Support

Women rate friends, families and community groups as their greatest sources of support, whereas men rate professionals such as lawyers and accountants as the most important, (Sexton and Smilor, eds 1986). The OECD seminar on 'Women-Local Initiatives-Job Training', (1985), identified the need for positive role models for women in small business. Other studies have emphasised the benefit of positive role models, both for those women considering a career in small business and for those already in business.

It has been noted that women lack access to formal and informal networks of support which are typically available to male small business people.

Source of Startup Capital

It has been reported that women typically lack personal wealth which can be used as a basis for establishing a small business.

This lack of personal wealth can be explained by the concentration of women in lower paid positions where personal wealth is difficult to accumulate.

The demands of family support also results in women contributing all or most of personal income to sustain children or other dependents.

For a variety of reasons to be discussed in a later section women have considerably more restricted access than males, to start up funds through traditional financial organisations such as banks.

For these reasons women rely more heavily on limited personal savings and on loans from friends and close relations to fund the establishment of their businesses.

Consequently start up size tends to be smaller and turnover consistently lower than male owned small business enterprises. This will also be discussed in a later section.

Characteristics of the Business

Type of Business

Research is inconclusive as to the type of business most often chosen by women. Businesses run by women tend to be concentrated in the traditionally female areas such

as sales and service. Several studies conclude that women are attracted to areas requiring less initial financial commitment such as the sales area, (L.V.Still and C.M.Guerin; and M Devine and D.Clutterbuck 1985). A concentration in the sales and service areas has also been attributed to the women's typical educational background in the liberal arts, and the likelihood of occupational experience in these areas.

Women are less likely than men to establish a business based on product innovation and technological innovation in particular (E.Wojahn 1986; Watkins and Watkins 1984). This finding has been attributed to the high costs involved, lack of technological knowledge, and difficulties attracting support and finance.

Both men and women have been found to choose a particular area of business because of previous experience in this area. It has been found, however, that the transition to self employment is easier for men than women. Men more often pursue a sideline or hobby into business, and have greater experience in the area of the business, (H.D.Hisrich in Sexton and Smilor eds, 1986).

Women tend to establish their own businesses from scratch rather than purchasing existing successful businesses or restructuring failing ones.

This is partly due to an inability to purchase businesses due to a lack of access to finance and may also be due to a preference to put their own stamp on their business which reflects their personal motivations and objectives for their business and their personal styles.

Size/Growth

Businesses run by women tend to be small at start up and show slow growth, with modest income and a small number of employees, (C.E.Scott 1986, L.V.Still and C.M.Guerin). Women-run businesses also tend to be younger than most male businesses, (Hisrich and Brush in Sexton and Smilor eds 1986).

Problems

The OECD seminar on 'Women-Local Initiatives-Job Creation' (Paris 1985), identified access to finance, appropriate training and education, and a lack of positive role models, as the major areas of difficulty for women in small business.

The Victorian Women's Consultative Council in its report to the Premier on 'Women and Small Business', (March 1984), identified several key issues affecting intending and current small business women. These issues were: a lack of financial support and access to capital; paucity of appropriate education and training opportunities for women and girls; lack of public awareness of small business women, caused by a lack of prominent role models of women in business; an inadequate data base on both the start up rates and performance of women in business; and a need to ensure equality of access to government support programs for women, in particular those of non-English speaking backgrounds.

Finance

Difficulty obtaining funds has been identified as the most significant problem for women in business. Finance is a problem for all small business people but has been found to be more so for women. R.D.Hisrich (1986) identified three main reasons why financial difficulties could be expected to cause increased problems for business women.

First, women lack a financial track record and assets which increases the likelihood of experiencing difficulty with getting loans. A lack of awareness of financial procedures, and a lack of a credit history, however, can be offset by management experience.

Second, women lack skills in financial planning, accounting, and marketing, which increases the likelihood of difficulties requesting and obtaining loans. Banks tend to lack confidence in loan applicants who lack business experience.

Finally, women also face the disadvantage of a general lack of confidence in women as business owners and managers, particularly in those non-traditional areas such as manufacturing, construction and finance. Even when establishing businesses in more traditional areas, women experience difficulties due to a lack of hard assets in the business which can be used as security.

Several other studies have connected problems with finance with a failure to take the idea of women in business seriously, (G.Gregg 1985; R.Goffee and R.Scuse, 1985; also 'Entrepreneurship and Women' Rae Mathews). Typically women lack a customer or business relationship with bank managers or other individuals who determine whether loan funds are available or not.

Difficulty getting loans both during business start up and subsequently has repeatedly been identified as a major problem for small business women, (C.G.Brush, and R.D.Hisrich, 1988; J.White, 1984). Many women rely heavily on personal savings and loans from friends or family, rather than from financial institutions (J.White, 1984). Although actual credit discrimination is not well documented, many women suffer from either the expectation or experience of problems gaining access to finance, (VWCC 1988). This reality has been highlighted in the Discrimination in Credit Act in the USA which requires that an explanation of the reasons be provided to any applicant who is refused funds by the regulated finance system in the US.

Women compensate for difficulty getting finance by use of private savings, owning the business jointly with a partner or having a male co-sign financial agreements (R.D.Hisrich, 1986).

Partly as a result of this difficulty attracting finance, women also use a smaller number of sources of finance than men and rely more on personal assets. Women rely less on banks than men and tend to use their own savings supplemented by non-official sources such as community groups, relatives, and friends, (S.Birley, C.Moss, P.Saunders. 1987;R.D. Hisrich, 1986).

Discrimination

The 1988 Report to the US Congress on Small Business summarised the discrimination faced by women in small business as cultural stereotyping, subtle discrimination and a failure of legislation to counteract these handicaps. Other research has linked the discrimination faced by women to the poor community attitudes towards women in business generally. Women report being taken less seriously as business people, (WISE; Still and Guerin S.C.Buerk 1978; VWCC 1988).

Community Attitudes

A recent report by the Victorian Women's Consultative Council entitled Women and Small Business (1988) argued that women wishing to establish a small business were confronted by a generally disinterested and patronising attitude in a number of sectors in the community.

This negative attitude appears to permeate sectors which are central to the establishment and operation of any small business including most importantly banks and finance companies, and some industry associations.

The Report found that women's business activities were not taken seriously and that they were perceived as 'playing at being in business'. Women were assumed not to be the principal or initiator of a business but rather a supporter or 'second stringer'.

Training and Skills

The Victorian Women's Consultative Council (VWCC) report also found that major barriers to women establishing and operating successful small business were lack of skill and expertise and a lack of specific business knowledge.

At the same time the life circumstances of many women prevented them from addressing these shortcomings through education and training. Women wanted to attend courses and improve their skills but were prevented from doing so by the time and cost elements of the courses. Courses were typically not held in a convenient location at a time and over a period which enabled women, many with significant family and work responsibilities, to attend.

Even when women were able to attend courses in many cases they found their learning experiences narrowed in mixed gender classes due to the dominance of the males.

The VWCC study found that 51% of respondents preferred women only classes because men tended to dominate classes and because they had particular needs, which they felt, could be better met in a single sex setting.

Networks and Information

In both establishing and operating businesses women suffer from not having easy or in many cases, equal access to formal and informal business networks.

These networks provide contacts and information which are vital to the successful operation of a small business.

Networks include Chambers of Commerce, industry and trade associations, local business and community associations and even social and sporting clubs.

Unsupportive and even negative community attitudes and stereotyping of women as supporters and not initiators played a major part in 'locking women out' of these networks.

And although the number of women in business is growing rapidly, the establishment of women's business networks is still in its very early stages in Australia.

Success Rate

It has been established that women may have different criteria for success from the traditionally male ideals, and that this may be a further limitation of research. Business success has been predominantly defined as survivability and economic growth. Personal objectives which may be fulfilled by a short-term business project or limited business growth are generally not discussed in the research. Some research, comparing the survivability of male and female businesses has established that women's businesses have a higher success rate in the long term, but this is inconclusive (J.White 1984).

Issues Specific to Immigrant Small Business People

Research into immigrant women-run small businesses is extremely limited. In a report to the US Congress entitled 'New Economic Realities: the Rise of Women Entrepreneurs (1988),' a survey of 1502 women in small business concluded that women and minorities are still faced with discrimination which is 'difficult to detect and prove'.

Most research into immigrant entrepreneurs makes no distinction between males and females and does not attempt to identify any factors which may be unique to women. It was concluded, however, that the situation of immigrant and non-immigrant small business women differs.

Very few studies directly compare non-immigrant with immigrant small business women.

This section therefore draws on the literature in an eclectic manner in an attempt to crystalize the major features which are significant to the study of immigrant small business women.

Owner/Manager Characteristics

Personal Traits

Hisrich and Brush (1986) found personality differences between immigrant and non-immigrant women. Immigrant women valued conformity and benevolence most highly

whereas non-immigrant women placed a higher value on need for achievement and independence.

Age/Sex

Immigrant small businesses were found to be more male dominated than small business generally, with less than twenty percent of owner/managers being women, (Strahan and Williams 1988; Hearn, J.M. 1982).

Immigrant entrepreneurs were found to be younger than small business people in general, usually around the age of forty. (Gomolka, E. 1977; Hearn, J.M. 1982). Several studies found, however, that immigrant women tended to be older than locally born small business women, (Hisrich and Brush, 1985; F.DeCarlo and P.I.Lyons, 1979). Immigrant small business people were also found more likely to be married than non-immigrants, (R.D.Hisrich and C.Brush 1985).

Reasons for starting a small business have also been found to differ between immigrants and non-immigrants. Immigrant small business people were found to be reacting to discrimination leading to poor job opportunities and to a depressed 'ethnic economy', (E.Gomolka 1977; Ward and Jenkins 1984; A.Ramirez 1986). In this regard immigrants and women generally tend to have similar motivations for starting a business.

Other motivations found for immigrant women were consistent with those found for non-immigrant women and include the need for flexibility to fit in with domestic commitments, (NSW EAC, 1987).

Background

Occupational experiences which may be unique to immigrant small business people include prior disadvantages in the job market, background in business in the country of origin and participation in the ethnic sub-economy. Involvement in the ethnic community in Australia may provide a source of business experience as well as financial and social support, (J.A.Cobas, 1986).

Few studies compared the educational experiences of immigrant and non-immigrant women. R.D.Hisrich and C.Brush (1986), found that immigrant small business women had a higher level of education than the general population. Immigrant women tended to have fathers from blue collar occupations unlike locally born women who tended to

have fathers who were either self-employed or in management, (Hisrich and Brush 1986; E.Gomolka 1977).

Education and Training

Several studies have found that women suffer from a lack of education which is relevant to a career in small business. Young immigrant women in particular were found to be under-represented in post-secondary education and in labour market programs, (Dept Immigrant and EAC, 1985).

A related issued was non-recognition of overseas qualifications, however very little research attempted to study the impact this may have on immigrants now self employed, (J.A.Cobas 1986, Dept Imm and EAC 1987).

Characteristics of Immigrant-Run Small Business

Size/Growth

E.Gomolka (1977), found that immigrant small business people were more likely to own smaller businesses in the service sector and to have been in business for a shorter period than their non-immigrant counterparts.

Immigrant small business was found to be initially smaller and less profitable than small business generally. Some studies have found, however, that immigrant business has a higher rate of growth and survivability over the long term, (Strahan and Williams, 1988). No comparisons have been made of success patterns for immigrant and non-immigrant women.

In common with non-immigrant women, immigrant small business women were found to have businesses which started small and showed moderate growth, (Hisrich and Brush 1986; Report to Congress 1978, 'The Bottom Line...').

Role Models/Mentors

Similar to findings on small business women in general several studies have established the importance of role models and a support system for immigrant small business women, (Hisrich and Brush, 1986).

Problems

E.Gomolka (1977), saw poverty, ethnic visibility, and discrimination as the greatest additional problems faced by immigrant small business people. In addition, immigrant

women face the problems already identified as significant to small business women in general, these include inadequate or irrelevant education and training and financial discrimination.

A further important issue identified as specific to immigrant women is finding child care which is both culturally acceptable and affordable, (NSW EAC 1987).

Research Methodology

This study draws on two sources of data. The first source is a major longitudinal study of Australian small business enterprises and their owner/managers.

The study, commenced by Professor Alan Williams in 1973, had its origins in an earlier investigation of the characteristics and entrepreneurial performance of 250 Western Australian small business people. Williams recognized that to tap the long term dynamics of small business success and failure, enterprises would need to be tracked through this process of growth and decline.

It was evident therefore that a longitudinal study would provide more powerful and compelling data on the processes of preparing for, establishing and successfully managing small businesses and which could provide a basis for the development of a predictive model of entrepreneurial effectiveness.

Williams original study commenced in 1973 and is ongoing. This paper uses data from his study which was collected between 1973 and 1985. In that period he surveyed 10,570 new businesses and 22,034 owner/managers.

According to Williams (1987), the systematic examination of the complex dynamics of small business enterprise over an extended and meaningful period of time is not unique to his study, but at the same time, is not a venture commonly undertaken. He cites a small number of American studies which he sees as making a significant contribution to the literature, notwithstanding their reliance on relatively small samples and specificity to single industries. These include Churchill (1955), Woodruff and Alexander (1958), Kinnard and Malinowski (1960), Mayer and Goldstein (1961), Lawyer (1963), Hoad and Rosko (1964), Roberts (1972) and Cooper and Bruno (1977).

Williams' study is exploratory and collects biographical data on small business people and their personal, psychological and motivational characteristics; on the performance of the enterprises that they own and manage; and the processes and dynamics of the enterprises that they operated.

Data Collection

Data on new small enterprises and their owner/managers were collected by mentor organizations at establishment, and annually thereafter.

Information on a new business was collected at start up and annually thereafter. If a business ceased to operate an exit interview was conducted to carefully and fully analyse reasons for failure.

Standardised questionnaires and tests were used for the study. They were developed and pretested in a manner which ensured their reliability and validity.

In order to measure a range of psychological variables these standardised questions and tests were administered to participants within the mentor organisations and then passed on to the researcher to be assessed and analysed. Reliability and validity was assured through the use of soundly based and widely used test instruments and on the basis of consistent analysis and interpretation by a single researcher. The collection of data for the study required that the small business person had sought and had received bank finance, creating the potential for biasing the sample.

Williams (1988) has proposed that significant sampling bias as a consequence of the data collection method was unlikely given the large proportion (90%) of new business start ups in Australia which use debt funding, largely through banks.

However while this proposition may hold generally, its force may be more limited in the case of women and immigrant women. This is especially so, given the almost unanimous agreement in the literature that women tend to be discriminated against in the financing of their businesses.

As a consequence the data collection method used in the Williams study upon which this report is based may have led to the under representation of women and of particular classes of women in the study. Specifically, women who were more integrated into the business system, and likely to be more socially and economically

conformist may have been over represented in the sample. These factors need to be taken into account in the interpretation of the data.

The data collection method and the collection instrument may also have had some influence through its linguistic and cultural specificity on the sample of immigrant small business women. The exact number of NESB women in the sample cannot be assessed. However completion of parts of the survey instrument clearly required good English language skills and suggests that respondents could communicate well in English. The study could therefore not provide a complete analysis of cultural and linguistic issues which may influence the process of settlement and establishment of immigrants in Australia.

While recognising these constraints on the interpretation and generalization of the results of this report it is necessary also to recognise the reliability and validity of the method overall and the importance of the study in contributing to the very limited Australian literature.

The second source of data used in this study was generated through discussion within a reference group of immigrant small business women.

The reference group was comprised of between 6 and 8 immigrant small business women who met seven times over the period of the study.

In broad terms the makeup of the group reflected that of the sample as a whole. However it was not intended that it be representative of the sample or the Australian population.

They provided qualitative comment on the information generated by the Williams data base; clarified and extended analysis of that data; and introduced issues which were not otherwise examined.

An Advisory Committee of Women representing Government agencies with an interest in women, immigrants and small business also provided the study with reliable guidance.

If commented on the directions of the study and on the interpretation and analysis of the data. It also provided an important window on the perceptions and priorities of women in relation to the issues discussed in this report.

Sample Selection

Between February 1973 and December 1985, 246 immigrant women became involved in the study through contact with a 'mentor organization', in the vast majority of cases, through a bank.

Operational Definition

For the purpose of this study, a small business was defined as one which employed up to 50 persons including the owner/managers. In addition, the enterprise was assessed as being owner managed, independent of external managerial and /or financial control, and having relatively small share of the market in which it was engaged.

An enterprise was defined to have failed if it ceased to trade as a result of insolvency, an inability to trade profitably or because of existing or impending financial difficulty. Enterprises which ceased trading as a result of poor health or death of the owner, family break down or some other non financial reason were not classified as failures, but were removed from the sample.

Statistical Analysis

Throughout this study statistics are presented in both enterprise and individual owner/manager form. Consistent transformations have been applied to ensure that these data are consistent at all times.

Where firms are classified as surviving or failing owner/manager characteristics are still however analysed in relation to individual business people and do not require the aggregation of psychological characteristics of all individuals in a single enterprise. These data are presented both in the form of frequency distributions and using chi-square analysis to identify the presence of a significant relationship between small business survival and a number of variables reflecting the nature and operation of small enterprises.

Conclusion

The study's aims are to describe immigrant small business women and identify factors which facilitate their success in small business and factors which are related to failure. Some of these elements apply to small business generally and others are more specifically related to women and immigrant small business women. These data can be used to identify policy areas and programs which can be utilised to enhance the role and success of immigrant small business.

CHAPTER 2: A PROFILE OF THE IMMIGRANT SMALL BUSINESS WOMEN

The Sample

As previously described, the overall sample comprises 22,034 owner/manager in 13,449 businesses. This includes 4,113 overseas born small business owner/managers, of which 3,867 (94%) are male and 246 (6%) are female.

The proportion of women in the immigrant small business population in this sample is much smaller than that for the non-immigrant population. Of the 17,921 Australian born small business people also interviewed in the original sample, 13,965 (72%) were male and 3,956 (28%) were female.

Of the 246 immigrant women in the study sample, 69.92% were from Europe, 20.73% from Asia, 4.88% from America, 4.07% from Oceania, and the remaining .41% from Africa. Of those owner managers of European origin, more than half (95 women) were from the UK and Ireland, (cf Table 2.1). This suggests a concentration of European women of English-speaking backgrounds. Although this is an important factor, given the sample size it is not possible to make a distinction between women of English and non-English speaking backgrounds.

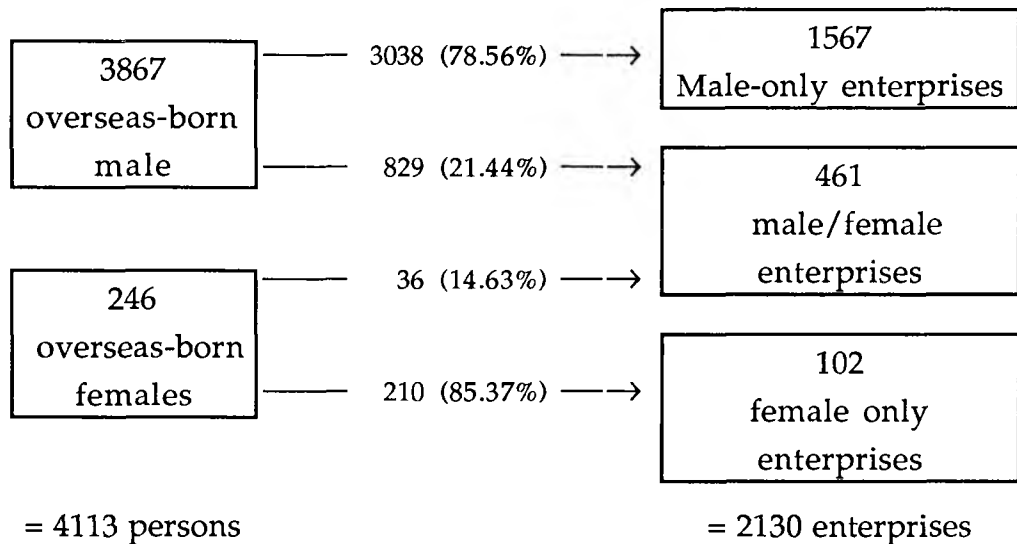
The country of origin of the immigrant small business women in the sample is consistent with the breakdown of immigrant women classified as 'self employed' in the Australian population. The 1986 Census identified 72.03% from Europe, 13.63% from Asia, 2.86% from America, 6.31% from Oceania, and the remaining 2.78% from Africa. The most notable difference between the study sample and the general population was the high percentage of Asian women in the study.

TABLE 2.1: COUNTRY OF BIRTH

	Study Sample		General Population (self employed immigrant women)	
Africa	1	.41%	1384	2.78%
America	12	4.88%	1427	2.86
Oceania	10	4.07%	3147	6.31%
Asia	51	20.73	6795	13.63%
Europe	172	69.92%	35909	72.03%

Of the 246,210 immigrant women were owner/managers of 102 firms without the involvement of a male business partner. This represents 86% of the total number of immigrant small business women interviewed. The remaining 36 women (14%) were involved in firms jointly owned and managed by men and women. Figure 2.1 illustrates this breakdown.

FIGURE 2.1: IMMIGRANT ENTREPRENEURS AND THEIR ENTERPRISES



To be included in the sample, small business people were required to :

- have made a financial commitment to the business venture;
- be actively involved in managing the business.

Owners who may be involved in the business as inactive partners—partners for investment and other reasons—were not included in the sample.

Companies classified as sole proprietorship involved 100% ownership in the hands of the proprietor. For partnerships owned and managed by immigrant small business people, the average equity share of active partners was 73.86%. Immigrant small business people tended to have a greater share of the business than non-immigrants. The average equity share for partners in non-immigrant firms was 63.74%.

For private companies, immigrant small business people also tended to have a greater share in the company than non-immigrants. The average share of equity for managing shareholders/directors was 78.63% for immigrants operated businesses, and 52.33% for businesses operated by non-immigrants.

For the analysis which follows small business people have been divided into the categories of immigrant women, non-immigrant women, and males regardless of place of birth. The enterprises are divided into those operated by immigrant women, those operated by non-immigrant women, and male operated small businesses .

Ownership/Manager Characteristics

On establishing their enterprise small business people were interviewed about their educational background, occupational experience, family background, psychological and attitudinal traits and other personal characteristics.

The following discussion refers to three groups of owner managers—immigrant women, Australian born women, and males regardless of country of birth.

Age

For small business people generally, their age when starting the business may be an indication of how much opportunity there has been to gain relevant education and /or

experience. While this applies to small business women, family and personal commitments, also play a large part in determining how much 'delay' occurs before a women is sufficiently free of commitments to start a career in small business. Immigrant small business women may also be expected to need time to become sufficiently familiar with the new culture and systems of business, before starting their own business.

Immigrant small business women in the sample were slightly older than non-immigrant women, and women in general were older than their male counterparts. The average age of immigrant women was 38 years, compared to 36 years for men.

Table 2.2 illustrates the break-down of age for the sample.

The most obvious explanation for the greater average age of immigrant women entering business ownership is the delay caused by family responsibilities. This study's qualitative data supported this explanation. Increased opportunities for women to enter small business in recent years may also have attracted older women to this option.

Education and Experience

The educational and occupational background of the owner/manager can be expected to have a substantial influence on the skills and knowledge which they bring to this role and on the eventual success or failure of the enterprise.

This is of particular significance to women who have been found to be less likely than men to have relevant educational or first hand experience of business.

TABLE 2.2: AGE OF ENTRY TO BUSINESS OWNERSHIP

Age Categories	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Under 20 years	218	1	2	1	27	1
20 to 29 years	4249	24	50	20	830	21
30 to 39 years	7831	44	94	38	1620	41
40 to 49 years	3737	21	62	25	949	24
50 to 59 years	1621	9	29	12	411	10
60 or more years	176	1	9	4	119	3
TOTALS	17832		246		3956	
MEANS	(80.93%) 36.08		(1.12%) 38.28		(17.95%) 37.65	

This experience and knowledge affects how confident the individual is in dealing with, for example, financial institutions, government agencies, suppliers and customers. How well he or she is accepted in business also plays a part in how successfully she/he carries out the demands of the owner/manager role. This has been repeatedly stressed both by the literature and within this study's qualitative data.

Formal Education

Immigrant small business women completed their education to a higher level than either males or non-immigrant women. The average number of years completed by immigrant women was 12.47. This is greater than that for either non-immigrant women, (average 10.35 years), or males, (average 11.21 years). (cf Table 2.3)

Qualitative data generated for this study emphasised the role of different cultures in determining the educational expectations placed on women. The value placed on educational achievements for women, and the relative priority given to different areas of study, varied enormously between countries. The most striking contrast was between the Asian and European experience.

Occupational, Management, Ownership Experience

Skills and abilities relevant to small business management can also be gained through on-the-job experience in either a trade or profession. Whether in similar or different area to the proposed business, experience at different levels of responsibility can be highly relevant to the owner/manager role.

TABLE 2.3: LEVEL (YEARS) OF FORMAL EDUCATION COMPLETED

Level Completed		All Males		Females Born Overseas		Females Born in Australia	
		No	%	No.	%	No	%
Finished Primary School	6	496	3	2	1	203	5
High School Yr 4	10	5279	30	57	23	1553	39
High School Yr 6	12	5820	33	64	26	1227	31
Tertiary DNG	12+	1899	11	39	16	312	8
Tertiary Cert.	12+	1871	10	39	16	312	8
Tertiary Diploma	14+	1334	7	28	11	192	5
Tertiary Degree	15+	1133	6	17	7	157	4
TOTALS		17832		246		3956	
MEANS		11.21		12.47		10.35	

Management level experience in particular, provides an opportunity to acquire a range of skills including financial and administrative skills and to communicate and interact with a wide variety of people.

Of all small business owner/managers, immigrant women have the least experience in the following areas:

- work as an employee in either an occupation, trade or profession (measured by duration and relevance)
- previous business ownership (entrepreneurism)
- management experience as an employee.

Male owner/managers have the most experience in each of these areas, and in particular in management.

This result emphasises women's lack of opportunity to gain familiarity with business and to acquire skills, knowledge and confidence which play an important part in successfully managing the demands of the owner/manager role.

Table 2.4, 2.5 and 2.6 show the owner manager's experience at different levels of responsibility.

Marital and Family Support

Enthusiasm and encouragement for the small business venture from the owner/manager spouse and immediate family strongly influences the successful startup and operation of the business.

Emotional support and encouragement, willingness to assist the business in a practical sense and assistance in coping with the competing demands of the non-business responsibilities each play a large part in influencing the success of the business.

TABLE 2.4: DURATION AND RELEVANCE OF WORK, TRADE, OCCUPATIONAL OR PROFESSIONAL WORK AS AN EMPLOYEE

	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Excellent—Good	3937	22	44	18	752	19
Above—Below Average	10299	58	142	58	2294	58
Poor—Very Poor	3596	20	60	24	910	23
TOTALS	17832		246		3956	
MEANS	16.69		15.85		16.10	

TABLE 2.5: DURATION AND RELEVANCE OF MANAGEMENT EXPERIENCE AS AN EMPLOYEE

	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Excellent—Good	1841	10	10	4	277	7
Above—Below Average	10476	59	143	58	2294	58
Poor—Very Poor	5510	31	93	38	1385	35
TOTALS	17832		246		3956	
MEANS	18.43		16.78		17.50	

In looking at the expected and actual support received by immigrant small business women it is important to recall the generally high level of family support received by immigrant small business men.

The literature has noted the valuable and often unpaid assistance to the small business man provided by the wife and other relatives. Discussion of factors influencing business survival in Chapter 3 suggests that small business men are strongly influenced by level of marital support, whereas women are not.

Family support was defined as either that provided by the owner/manager's parents and siblings, children and other relations, depending on the respondents circumstances.

TABLE 2.6: DURATION AND RELEVANCE OF EXPERIENCE AS AN OWNER/MANAGER IN PREVIOUS BUSINESS(ES)

Classification	All Males		Females born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Excellent—Good	510	3	2	1	79	2
Above—Below Average	2825	16	30	12	514	13
Poor—Very Poor	14497	81	214	87	3363	85
TOTALS	17832		246		3956	
MEANS	7.26		6.45		6.78	

Slightly more immigrant small business women were married than non-immigrant women, and far more women were married than men. Among immigrant women, 82% were married compared to only 77% of males (cf Table 2.7).

These figures are reasonably representative of the total population. ABS figures from the 1986 census found for self-employed immigrant women, 87.92% were married, compared to 83.87% of self-employed immigrant males.

TABLE 2.7: MARITAL STATUS

Status	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Married	13796	77	202	82	3163	80
Not married	4036	23	44	18	793	20
TOTALS	17832		246		3956	

Immigrant and non-immigrant small business women are far more likely than men to report a poor level of family and marital support for entry into a career in small business. 17% of immigrant women owner managers reported 'Poor-Very Poor' levels of marital/family support, compared with 15% of non-immigrant women and 7% of males (cf Table 2.8).

TABLE 2.8: LEVEL OF MARITAL/FAMILY SUPPORT

Support Level	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Excellent—Good	4031	23	38	15	712	18
Above—Below average	12414	70	166	68	2561	67
Poor—Very poor	1387	7	42	17	593	15
TOTALS	17832		246		3956	

Family Background

Childhood experience may have a significant effect on the development of expectations and values which can strongly affect the owner/manager role. Parental attitudes towards authority and discipline and expectations of achievement and independence play an important role.

Similarly, childhood experience of financial security, or the lack of it, plays a part in developing motivation towards economic success in adult life.

Experience of small business through the activities of family members may provide experience and knowledge which plays a part in developing attitudes towards this occupational path.

Quality of Family Background for Developing Entrepreneurial Career

Family background was reported as unsupportive of or unfavourable to developing an entrepreneurial career for a greater number of women than men in the sample.

Among immigrant small business women, 24% reported 'Poor-Very Poor' quality of family background, compared with 21% of non-immigrant women and 19% of males. Table 2.9 shows the owner/manager's quality of family background in more detail.

Father's Main Work

For all small business people the common occupation of the owner/manager's father was in the manual/technical area, the least common area of work was as a professional.

Parents General Financial Condition

The most common rating of their parents general financial condition by all owner/managers was 'average'.

TABLE 2.9: FAMILY BACKGROUND

Quality	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Excellent—Good	2428	14	27	11	514	13
Above—Below average	12052	67	160	65	2611	66
Poor—Very poor	3352	19	59	24	831	21
TOTALS	17832		246		3956	

For businesses operated by immigrant women, 46% rated the financial condition of their parents as 'average', 18% rated them as having 'frequent problems', and 14% rated them as either 'fairly poor' and 14% were 'fairly well off'.

Siblings and Other Close Relatives in Business

A large number of immigrant women had one or more close relatives in business (72%). As with owner/managers who had a parent in small business, it could be expected that there may be some benefit in having the opportunity to observe small business operation through the experience of a close relative.

Other Role Obligations

It has been observed that many owner/managers identify with local and community issues and as a result become involved in sporting, charitable and other organisations. Many small business people also hold a second job. About one in seven of the total immigrant and non-immigrant sample had one or more part-time jobs in addition to their primary business.

A higher number of small business women than small business men reported beneficial or positive effects from 'other role obligations'. This refers to those obligations which are not of a business nature. Slightly more immigrant women than non-immigrant women reported 'somewhat' or 'highly' beneficial effects (cf Table 2.10).

This result appears to be counter to the stereotypical idea of women finding the demands and obligations of their non-business roles to be detrimental to the entrepreneurial career. Involvement in community activities helps to build contacts which may otherwise be lacking, as well as increasing community acceptance and awareness of the small business women. Contact in this way may also help to build the owner/manager's confidence in dealing with a wide range of people.

TABLE 2.10: OTHER ROLE OBLIGATIONS

Likely Effect	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Highly Beneficial	1691	9	34	14	435	11
Somewhat Beneficial	5187	29	79	32	1226	31
Neither/Uncertain	6761	38	89	36	1463	37
Somewhat Detrimental	3589	20	40	16	810	20
Highly Detrimental	604	3	4	2	22	1
TOTALS	17832		246		3956	
MEANS	17.35		18.11		17.76	

This study's qualitative data emphasised the importance of networking and building up contacts for business. It was suggested that while small business men have many established means of making contact with other business people and potential clients, women find it more difficult to establish these contacts.

Established male-orientated networks would include charitable and community groups, sporting and other associations.

It is recognised that the time and effort taken for participation in these activities places an additional constraint on the owner/manager's involvement in the business. The small business women who acted as a focus group for this study suggested that over time they learn to assess which non-business commitments will be most beneficial, and to concentrate on these.

Role Perception

The effectiveness of the owner/manager relies significantly on how well she is able to define the major elements of the work involved in this role. The more accurately the task is defined in the owner/manager's mind, the more likely their efforts will be appropriately directed. For the purpose of this discussion, people are divided into two types, inner-directed and other-directed, (Riesman, 1950).

Inner-directed people rely on their own ideas and values, are work oriented and have strong competitive energies. These people may be classified as entrepreneurial types. People who are significantly influenced by the demands and concerns of others are other-directed, and are less likely to be classified as entrepreneurial types.

All women and immigrant women in particular show a higher inner-directedness than their male counterparts in small business. 23% of immigrant women rated 'high-very high' inner-directedness compared to 18% non-immigrant women and 16% of males (cf Table 2.11).

TABLE 2.11: ROLE PERCEPTION

Inner— Directedness	Other— Directedness	All Males		Females Born Overseas		Females Born in Australia	
		No.	%	No.	%	No.	%
High-Very High	Low-Very low	2775	16	57	23	712	18
AA-BA	BA-AA	12151	68	155	63	2649	67
Low-Very Low	High-Very High	2906	16	34	14	595	15
TOTALS		17832		246		3956	
MEANS		170.13		175.18		171.98	

Immigrant and non-immigrant small business women showed a high level of inner-directedness. Rather than relying on the demands and opinions of others to define their role as an owner and manager, women preferred to use their own judgement and initiative. This result is consistent with women showing a strong motivation to be successful in the role of owner/manager and a strong personal commitment to this role.

Interpersonal Traits

A large part of the small business person's time is spent interacting with people such as customers, suppliers and staff. Communicating effectively with others is a key part of the owner/manager role. Overall, the style used to deal with other people plays a part in determining the manner in which the business is run.

For every task a priority can be given either to the work or people issues involved. The relative priority given to people or work issues is an important aspect of the owner/manager's style in dealing with tasks.

These inter-personal traits will have a substantial effect not only on the owner/manager, but also on the organisation of the small business, and its eventual success or failure.

People and Work Orientation

In performing every task the small business person gives a priority either to the people or work issues involved in the task. Owner/managers with high people-orientation concentrate on the interaction with people who may be involved in a task.

Immigrant small business women showed a higher work-orientation than non-immigrant women, and much higher than males (cf Table 2.12).

TABLE 2.12: PEOPLE AND WORK ORIENTATION

People— Orientation	Work—	All Males		Females Born Overseas		Females Born in Australia	
		No.	%	No.	%	No.	%
High-Very High	Low-Very low	3138	18	36	15	633	16
AA-BA	BA-AA	11397	64	150	61	2493	63
Low-Very Low	High-Very High	3257	18	60	24	830	21
TOTALS		17832		246		3956	
MEANS		170.13		175.18		171.98	

This result indicates a higher priority being given to the work-related issues of tasks than to those aspects of dealing with the people involved in the task. A higher work-orientation in this case demonstrates a low people orientation. This may be explained by immigrant women lacking confidence in dealing with other people, particularly other business people or the agents of government support services or financial institutions.

For those women of non-English speaking backgrounds, a lack of confidence with language skills may increase the difficulty in dealing with a range of people. A lack of educational and occupational experience may also contribute to the lack of confidence. This is an important finding because the literature suggests that women in small business, and management generally concentrate on people, rather than the work aspects of tasks. The reasons for this sample of women acting counter to that identified in the literature may be partly explained by the data collection method. Data was collected largely through banks, potentially increasing the proportion of women who are more socially and economically conformist, thereby reducing the difference between men and women on this particular variable.

Interpersonal Traits: Compliant, Aggressive, Detached

People's style of interacting with others had been classified into three types (Horney 1945/1950): compliant (moving towards others for approval and protection), detached (moving away from others to be independent and unobligated) and aggressive (moving against others through competition and manipulation to achieve power).

Compliant:

Immigrant small business women recorded a low level of compliant interpersonal style. Although the differences between the three groups of owner/managers were not significant, immigrant women recorded the lowest level of compliance and males the highest.

This result suggests that immigrant women prefer not to 'move towards people' in their interpersonal style. A low level of compliant orientation is associated with limited need for approval or protection from others, and a limited dependence on others.

TABLE 2.13: COMPLIANT INTERPERSONAL TRAITS

People— Orientation	Work—	All Males		Females Born Overseas		Females Born in Australia	
		NO.	%	NO.	%	NO.	%
High-Very High		3421	19	39	16	672	17
Above-Below Average		10688	60	145	59	2409	61
Low-Very Low		3723	21	62	25	875	22
TOTALS		17832		246		3956	
MEANS		37.79		36.83		37.36	

Aggressive

Aggressive interpersonal style is associated with competitiveness, strategic posturing and bargaining. Immigrant small business women recorded the highest level of aggressive interpersonal response traits, while males recorded the lowest level (cf Table 2.14).

Immigrant small business women displayed a lack of confidence in specific aspects of the owner/manager role.

Women who are likely to be unfamiliar with the business systems, however, may lack confidence in dealing with financial institutions, professional business advisers and government agencies. A high level of aggressive interpersonal style suggests that these women may take an assertive approach to overcome their own uncertainty and to confront discrimination they encounter in their own business and in dealing with clients, suppliers etc.

TABLE 2.14 AGGRESSIVE INTERPERSONAL TRAITS

Classification	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
High-Very High	4909	28	84	34	1187	30
Above-Below Average	10794	61	138	56	2334	59
Low-Very Low	2129	12	24	10	435	11
TOTALS	17832		246		3956	
MEANS	39.95		41.05		40.38	

Detached:

Detached interpersonal style is characterised by self sufficiency, independence and emotional distance in dealing with others. Immigrant and non-immigrant small

business women displayed an approximately equal level of detached orientation, and women generally were more highly detached than men (cf Table 2.15).

This suggests that immigrant women were more independent and objective in the way they operated their businesses.

TABLE 2.15: DETACHED INTERPERSONAL TRAITS

Classification	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
High-Very High	3977	22	62	25	949	24
Above-Below Average	9774	55	137	56	2217	56
Low-Very Low	4081	23	47	19	790	20
TOTALS	17832		246		3956	
MEANS	37.93		38.76		38.50	

In summary, immigrant small business women indicated a low compliant, highly aggressive and highly detached style in dealing with other people.

Motivation

Individuals demonstrate task and achievement motivation when they consistently strive for personal standards of excellence in pursuit of those tasks which are important to them.

Although individuals will have different criteria for success and hence different specific goals for their business, their overall motivation to be successful can be measured. As a part of their general task and achievement motivation people also demonstrate a more specific commitment to succeed in the owner/manager role.

Task and Achievement Motivation

High task and achievement motivation is a reflection of the owner/manager setting high personal standards of excellence and striving to achieve these. This is measured in terms of aspiration level, desire for socioeconomic mobility, persistence and other factors indicating achievement motivation.

Immigrant women demonstrated a higher level of task and achievement motivation than either males or non-immigrant women (cf Table 2.16).

TABLE 2.16: TASK AND ACHIEVEMENT MOTIVATION

Task and Achievement Motivation Level	All Males		Females Born Overseas		Females Born in Australia	
	No	%	No.	% No.	No.	%
High-Very High	2119	12	35	14	476	12
Above-Below Average	10881	61	155	63	2531	64
Low-Very Low	4832	27	56	23	949	24
TOTALS	17832		246		3956	
MEANS	256.48		264.83		260.55	

Role Success Motivation

Immigrant small business women were highly motivated to succeed in the role of owner/manager. Males displayed the lowest level of motivation although there was little difference between males and non-immigrant women (cf Table 2.17).

Reasons for Business Startup

Small business people were asked to give their reasons for starting their business and to rate the strength of motivation for each of these reasons.

The most common response involving strong motivation for starting the business for immigrant women and males was 'to make money from ideas'. The greatest number of non-immigrant women reported 'no future as an employee'.

TABLE 2.17: ROLE SUCCESS MOTIVATION

Motivation Level	All Males		Females Born Overseas		Females Born in Australia	
	No	%	No.	%	No.	%
Very/Fairly strong	5164	29	89	36	1226	31
Moderate	6658	37	81	33	1464	37
Fairly/Very weak	6010	34	76	31	1266	32
TOTALS	17832		246		3956	
MEANS	56.48		61.27		60.35	

There were few significant differences between the percentages of owner /managers nominating each reason. Discussion of those characteristics which influenced business success, however, found substantial differences between the groups of owner/managers.

Control

In addition to motivation to succeed, individuals have a belief in their own ability to determine the success of their business, rather than believing this to be the result of external factors beyond their control.

Internal locus of control represents a strong belief in one's own capacity to determine the outcome of events. This is in part related to self confidence and self-esteem.

Immigrant small business women demonstrated a higher level of internal locus of control than either non-immigrant women or males. This finding is consistent with immigrant women's high level of motivation to succeed in the role of owner/manager. There was very little difference between males and non-immigrant women in this category (cf Table 2.18).

Ambiguity Tolerance and Risk Taking Propensity

The entrepreneurial role necessarily involves dealing with situations which are novel, complex and uncertain. Information upon which the small business person must make decisions may be vague, incomplete or contradictory. The owner/manager's ability to function and make decisions in such ambiguous circumstances has been closely related to the success of the small business (Williams 1985).

Working and making decisions under uncertain circumstances involves the risk of error and failure. Owner/managers who prefer to avoid possible misjudgment and failure are classified as highly risk averse.

TABLE 2.18: INTERNAL LOCUS OF CONTROL

Internal Locus Level	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
High-Very High	2836	16	59	24	712	18
Above-Below Average	9827	55	128	52	2176	55
Low-Very low	5169	29	59	24	1068	27
TOTALS	17832		246		3956	
MEANS	23.19		24.50		23.60	

Risk prone small business people are more comfortable with difficult, high risk tasks or decisions.

Immigrant small business women displayed slightly less tolerance of ambiguity than did either non-immigrant women or males. Although the difference between the three groups was not great, males demonstrated the highest tolerance level to ambiguity (cf Table 2.19).

It is perhaps surprising that immigrant women demonstrated the least ambiguity tolerance, in view of the new and uncertain circumstances that many faced as immigrants to Australia. One explanation for this is that immigrant women who are still becoming familiar with new culture and system of business may be less comfortable with increasing uncertainty further.

This study found that women are more motivated to start a business by the desire for financial security. This desire for security may increase the aversion to uncertain circumstances.

The desire to avoid uncertainty may also be influenced by the immigration experience of the small business women particularly for women who have migrated as refugees. Unfortunately our data gives no clues to this.

Immigrant women were less averse to taking risks than either non-immigrant women or men (cf Table 2.20). This may be a reflection of the considerable uncertainty and risk already taken as part of the immigrant experience.

Confidence in judging situations and being prepared to take the risks involved may also in part be a reflection of self esteem.

TABLE 2.19: AMBIGUITY TOLERANCE

Tolerance Level	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
High-Very High	2271	13	27	11	474	12
Above-Below Average	11751	66	160	65	2572	65
Low-Very Low	3810	21	59	24	910	23
TOTALS	17832		246		3956	
MEANS	63.34		62.25		62.75	

TABLE 2:20 RISK TAKING PROPENSITY

Risk Level	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
High/Moderate Risk Averse	2820	16	31	13	554	14
Slightly Risk Averse/Slightly Risk Prone	13585	76	185	75	2967	75
High/Moderate Risk Prone	1427	8	30	12	435	11
TOTALS	17832		246		3956	
MEANS	67.45		66.60		66.25	

Immigrant women preferred to deal with greater certainty and prefer unambiguous situations but were not averse to taking risks in pursuit of their business objectives.

Self -Esteem

Indicators of self-esteem which can be extracted from the data include achievement motivation, role-success motivation, inter-personal response traits and locus of control. There is however no direct, single measure of self-esteem as this was not the focus of the original work for which the data was collected (Williams 1985).

Immigrant small business women demonstrated higher levels of role-success and task and achievement motivation than all other small business people. High levels of general achievement motivation and motivation to succeed in the owner/manager role indicate a level of self-confidence and a belief in one's own resources and abilities.

In summary, immigrant women demonstrated a low compliant, highly aggressive and highly detached style in dealing with others. This pattern of inter-personal traits is most likely to be associated with the operation of surviving businesses for immigrant women as discussed in Chapter 3. This confidence and an assertive inter-personal style may also be assumed to indicate a 'healthy' level of self-esteem.

Each of these factors, which may be taken as indicators of the owner/manager's self-esteem, suggests that immigrant women's self esteem is as high if not higher than other small business people.

It can only be speculated, however, to what extent small business experience has developed the self-confidence of these women, or is symptomatic of women who operate small businesses.

Characteristics of the Enterprise

The following discussion refers to enterprises which are owned and managed by either -

- immigrant women,
- males regardless of country of birth, and
- females born in Australia

Legal Form

Women preferred to be involved with firms with multiple owners. Firms run by either immigrant or non-immigrant women tended to be either partnerships or private companies. Only 18.05% of women-owned firms were sole proprietorships, compared with 29.47% of male-owned businesses (cf Table 2.21). Immigrant women were more likely to run sole proprietorships (26%) than Australian born women (17%).

Their preference for multi owner firms may be explained by the increased financial security involved in running a business with one or more others. Financial commitment has repeatedly been shown to have a strong influence on the type and size of business ventures owned/managed by women. The potential deterrence of high costs in particular areas of business has been emphasised both in the literature and by this study's qualitative data.

Immigrant women also demonstrated a preference for being involved in firms with female rather than male business partners. 86% of immigrant women were involved in firms without male owner managers (cf Figure 2.1).

TABLE 2.21: LEGAL FORM

Legal Form	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Sole Prop'ship	2023	29	26	26	213	17
Partnership	1959	29	37	36	402	33
Private Company	2882	42	39	38	607	50
TOTALS	6864		102		1222	
MEANS	63.34		62.25		62.75	

Family Firms

Immigrant small business people, regardless of gender likely to be involved in family businesses than are non-immigrant small business people. This preference for family

businesses results in a high rate of multiple owner firms. Out of 2130 firms operated by immigrant men, women or a combination of both, 1762 were family-run firms (Strahan and Williams 1985).

There was little difference between the three groups of owner/managers and the makeup of family firms in which they were involved.

Immigrant women were slightly less likely than either non-immigrant women or men to be involved in a business with a husband or wife, or in firms owned by a combination of siblings and/or in laws (cf Table 2.22). This reinforces the impression that immigrant small business women are relatively independent.

TABLE 2.22: FAMILY FIRMS

Family Mix	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Husband/Wife	1437	54	18	46	216	51
Husband &/or Wife and Adult Children	1014	38	12	31	161	38
Siblings and/or in Laws	200	7	7	18	28	7
Other Mixes	27	1	2	5	16	4
TOTALS	2678		39		421	

Geographical Distribution

Distribution of small businesses in the sample by State showed significant differences between immigrant women-run firms and firms run by either non-immigrant women or males.

As a proportion of the total number of firms for each owner/manager group, there were fewer firms run by immigrant women than those run by non-immigrant women or males in both NSW and Victoria.

In Tasmania the percentage of immigrant women-run firms was significantly greater than that for other small businesses although this can be explained by the small number of cases involved. In Queensland, South Australia, Western Australia, ACT and NT, the differences were very small but generally the proportion of immigrant women-run firms in these States and Territories was greater than that for other small businesses (Table 2.23).

TABLE 2.23: DISTRIBUTION BY STATES

States	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
NSW	1779	26	16	16	321	26
Victoria	1507	22	14	14	250	21
Queensland	1061	16	18	17	171	14
South Australia	936	14	16	16	176	14
Western Australia	1394	20	22	21	249	20
Tasmania	120	2	8	8	30	2
ACT	42	1	5	5	17	1
NT	25	1	3	3	8	1
TOTALS	6864		102		1222	

Comparing the distribution of immigrant women-run firms in the study to that in the total Australian small business population, as shown by 1986 Census figures, significant differences were found.

NSW and Victoria represented 16% and 14% respectively of the sample compared with 33% and 30% of immigrant women classified as 'self employed' in the Census.

The study sample significantly over-represents immigrant small business women from South Australia (study=16%, general population=7%), Western Australia (study=21%, general population=13%) and Tasmania (study=8%, general population=2%).

The varying distribution of the study's sample may be the result of immigrant small business women having a higher profile in particular States.

Explanations for the distribution of small businesses operated by immigrant women in the total population could include the strength of different ethnic communities in various States, and the growth of particular areas of business in which immigrant women tend to be concentrated.

Whether the small business is located in the family home or in separate business premises is an issue of particular importance to businesses operated by women.

The distinction between home-based businesses and those operated out of separate premises has been raised both by the literature and by this study's qualitative data. Motivation for starting the business, family responsibilities and attitudes towards planning and growth, are some of the issues related to location of the business.

Industry Classification (ASIC)

Firms run by immigrant women are most likely to be concentrated in the Retailing and Service areas. 81% of immigrant women-run businesses were classified in either Retailing or Services, as compared with 74% of those small businesses run by non-immigrant women, and 67% of those firms run by males. Significantly less firms run by immigrant women were in the manufacturing area than any other small business group (Cf Table 2.24).

TABLE 2.24: INDUSTRY CLASSIFICATION (ASIC)

ASIC Division	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Primary	269	4	1	1	1	-
Manufacturing	1338	20	3	3	171	14
Wholesaling	620	9	15	15	147	12
Retailing	2413	35	42	41	464	38
Services	2224	32	41	40	439	36
TOTALS	6864		102		1222	

When compared to the distribution of small businesses in the general population, this sample shows some bias away from primary industries, since most data was collected in the city and suburbs.

Initial Capital Structure

The proportion of borrowed funds to total equity invested in the business (gearing ratio) has a significant effect on its operation. The amount of borrowed funds can be expected to have an influence on cash flow, profitability, proprietorial control and ability to raise finance.

Firms run by immigrant women were started with a low level of borrowed funds, as shown by a low gearing ratio (cf Table 2.25).

19% of firms run by immigrant women reported a low (less than 30%), gearing ratio, compared with only 14% of firms run by either non-immigrant women or males.

TABLE 2.25: INITIAL CAPITAL STRUCTURE (GEARING RATIOS)

Gearing Ratios	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Low (<30%)	972	14	19	19	172	14
Medium (31-69%)	4176	61	61	60	741	61
High (> 69%)	1716	25	22	21	309	25
TOTALS	6864		102		1222	

These figures demonstrate that immigrant small business women make moderate use of borrowed funds. This is partially a reflection of the more restricted access that small business women have in borrowing start up funds, as discussed in an earlier section. It also reflects the preference for businesses in the service sector which typically require less start up funds. However it has been speculated that service industry enterprises are less likely to attract bank funds because of the lack of 'hard assets', such as car, houses or computers, required within these enterprises.

Startup Mode

Firms are classified into four possible startup modes: purchase of an existing firm, starting from scratch, inheriting the firm, and restructuring or placing a failed business under new management.

Small businesses started by immigrant and non-immigrant women are most likely to be started from 'scratch'. 71% of women-run firms were started in this way, compared with 68% of firms started by men.

Women were less likely than males, to purchase an established firm. 30% of male owned firms were purchased, compared with 26% for non-immigrant women and 27% for immigrant women.

In the remaining categories of either inheriting or restructuring there was little difference between the four groups of owner managers (cf Table 2.26).

TABLE 2.26: STARTUP MODE

Startup Mode	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Purchase	2086	30	28	27	317	26
From 'scratch'	4646	68	72	71	867	71
Inherit	24	-	1	1	3	-
Restructure	108	2	1	1	35	3
TOTALS	6864		102		1222	

Startup Size

Size of the firm in this case was measured by the number of people employed in it, including the owner manager. Firms run by women, whether immigrants or Australian born, started smaller than those run by either males or a mix of men and women.

81% of firms run by immigrant women employed between one and five employees at startup. In comparison, 78% of male run firms and 79% of male/female jointly owned firms had between 1 and 5 employees at startup (cf Table 2.27).

Startup Preparation

Adequacy of overall preparation before beginning the small business venture has been closely related to survivability of the business (Williams 1973). Bearing in mind the specific type of business venture proposed, start up preparation should include such specifics as 'product/market feasibility, finance, location, timing, legal aspects of ownership, personnel, identifying likely market segments, supplies, accounting and many more'.

Immigrant women-run businesses had more adequate startup preparation than those businesses run by non-immigrant women, males or a mix of males and females. 16% of immigrant women-run businesses, had 'Excellent-Good' startup preparation compared with 14% of non-immigrant women, 11% of males, and 12% of firms run by a mix of males and females. 20% of immigrant women-run firms, had 'Poor-Very Poor' startup preparation, 21% of firms run by non-immigrant women, and 23% of those run by men (cf Table 2.29).

TABLE 2.27: STARTUP SIZE

Startup Size	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
1-5	5319	78	83	81	1015	83
6-10	1084	16	17	17	170	14
11-15	331	5	1	1	25	2
16-20	82	1	1	1	8	1
21-25	20	-	-	-	3	-
26-30	11	-	-	-	1	-
31-35	10	-	-	-	-	-
36-40	4	-	-	-	-	-
41-45	3	-	-	-	-	-
TOTALS	6864		102		1222	
MEANS	4.63		4.08		4.07	

TABLE 2.29: ADEQUACY OF TOTAL STARTUP PREPARATION FOR PROPOSED BUSINESS

Adequacy Level	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Excellent-good	767	11	16	16	171	14
Above-below average	4520	66	66	64	794	65
Poor-very poor	1577	23	20	20	257	21
TOTALS	6864		102		1222	
MEANS	42.55		44.52		43.74	

In view of the finding that immigrant women make the least use of external advisers of all small business people, this result suggests that they undertake this preparation independently and through friend or family. This study's qualitative data emphasised the importance of carefully establishing the details of the proposed area of business, especially through talking to other small business people.

Management Practices and Business Dynamics

In terms of management performance, immigrant women were weak in a number of specific areas. The management performance of 22% of immigrant women was rated as below average compared to 24% for non-immigrant women and men.

Major Problems Confronted

Owner/managers ranked up to five major problems which they had experienced in the last year. These problems were categorised into eight general areas.

Of the eight categories of problems, 'Sales and marketing' was seen as the greatest problem area by immigrant and non-immigrant women, followed by 'cash flow'. Unlike other groups of small business people, immigrant women also saw as significant problems, general economic conditions and government red tape, rating them equally as the third most important problem area (cf Table 2.30).

TABLE 2.30: MAJOR PROBLEMS CONFRONTED

Problem Category	All Males	Females Born Overseas	Females Born in Australia
Cash Flow	1	2	2
Sales/Marketing	2	1	1
Record Keeping	3	7	8
Management Competance	4	5	3
Red Tape, etc.	6	3	4
Economic Conditions	5	3	6
Employee/Union	7	6	5
Responsibility	8	8	7

Males and mixed male/female owner managers ranked cash flow as the most important problem area, and sales and marketing as the second.

This assessment of business problems is reflected in the reasons given for business failure by immigrant women-run businesses. Problems with sales and marketing was the most common cause given for business failure, followed by under use of external advisers.

Immigrant women rated the two problems most directly related to external factors (Red Tape and Economic Conditions), more highly than other small business people.

The two problems confronted most often by immigrant women were sales/marketing and cash flow. Both of these areas reflect directly on their capabilities, and management skills.

Business Practices

Sales Base:

There is a serious risk, for small businesses to be overly dependent on too few customers. The owner manager was asked to specify how many customers accounted for 50% of the firms sales revenue. This figure was averaged for every year of the firm's existence.

Immigrant women-run businesses had a smaller sales base than all other small businesses (cf Table 2.31). This reflects the difficulty experienced in the sales and marketing area.

TABLE 2.31: AVERAGE NUMBER OF CUSTOMERS FROM WHOM 50% OF SALES REVENUE WAS DERIVED

Average Age of Customers	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
1-10	1460	21	26	25	281	23
11-20	2713	40	53	52	537	44
21-30	2412	35	22	22	294	12
Over 30	279	4	40	3	294	12
TOTALS	6864		102		1222	
MEANS	17.70		15.30		16.83	

Growth

Growth in Number of Employees

By number of employees, firms owned and managed jointly by men and women grew at a faster rate than all other small businesses.

Immigrant women-run firms in this category grew at approximately the same rate as those firms run by either non-immigrant women or males. That is from a mean size of 4.21 employees at startup, to 11.82 employees after fourteen years.

Growth in Sales Revenue

Firms owned and managed by immigrant and non-immigrant women performed slightly better than the average for the whole sample.

Immigrant women run firms recorded an average sales revenue of \$25,063 in their first year, and grew to an average of \$251,124 in the fourteenth year.

Firms owned and managed by a mix of men and women performed much better than either the sample average or firms run by immigrant women. These firms recorded an average sales revenue of \$28,151 in their first year, and \$327,457 for the fourteenth year.

Although women-run small businesses show growth in sales revenue at a rate which is comparable with all other small businesses, the net income is still likely to be substantially less than that for male-owned small businesses.

Growth in Net Profit

In terms of net profit, businesses operated by immigrant women showed a much better rate of growth than the average for the total sample. Immigrant women-run businesses became profitable after three years, and maintained a steady rate of growth to reach an average net profit of \$97,238 in the fourteenth year.

Small businesses operated jointly by men and women performed significantly better than both immigrant women and the sample average, becoming profitable during their second year and reaching an average net income of \$123,493 in the fourteenth year.

Growth in Cash Flow

Firms owned and managed by immigrant women showed a better growth in cash flow than the sample average. Immigrant women-run firms generated a positive cash flow by the end of their third year of trading, and reached a cash flow of \$44,373 during the fourteenth year of trading. Firms with a mix of male and female owner managers performed better than the average for the sample or than firms run by immigrant women, generating positive cash flow during their third year, and an average cash flow of \$77,570 in their fourteenth year.

FIGURE 2.2: GROWTH IN NUMBER OF EMPLOYEES AND SALES (%)

	EMPLOYMENT (No.)				SALES (\$,000)			
	All NO.	%	Imm. Women NO.	%	All \$	%	Imm. Women \$	%
1	5.5		4.2		30.0		25.0	
		9.1		19.0		33.3		20.0
2	6.0		50.0		40.0		30.0	
		3.3		0		75.0		150.0
3	6.2		5.0		70.0		75.0	
		12.9		0		42.3		46.7
4	7.0		5.0		100.0		110.0	
		28.6		20.0		50.0		22.7
5	9.0		6.0		150.0		135.0	
		0		16.7		16.7		18.5
6	9.0		7.0		175.0		160.0	
		0		14.3		0		9.4
7	9.0		8.0		175.0		175.0	
		0		0		0		8.6
8	9.0		8.0		200.0		190.0	
		0		0		0		10.5
9	9.0		8.0		200.0		210.0	
		0		12.5		0		9.5
10	9.0		9.0		200.0		225.0	
		0		0		0		-2.2
11	9.0		9.0		200.0		225.0	
		11.1		22.2		0		2.2
12	10.0		11.0		200.0		230.0	
		0		0		5.0		0
13	10.0		11.0		210.0		230.0	
		0		7.3		2.4		8.7
14	10.0		11.8		215.0		250.0	

Changes in Capital Structure

Small businesses were assessed on the basis of changes in the ratio of borrowed funds to equity over the period from start up to the fourteenth year of operation.

These figures indicate that immigrant women-run firms make much less use of borrowed funds than do small businesses generally.

Immigrant small business women on average established their business with gearing ratios of around 38%, growing to a maximum of 62% by the end of the fourth year and steadily declining to 22% by the fourteenth year of operation.

In contrast, all firms in the study were established with an average gearing ratio of 56%, peaking at 82% by the fifth year and steadily declining to 42% by the fourteenth year.

FIGURE 2.3: GROWTH IN NET PROFIT AND CASH FLOW (%)

	NET PROFIT (\$,000)				CASH FLOW (\$,000)			
	All \$	%	Imm. Women \$	%	All \$	%	Imm. Women \$	%
1	-17.5		-24.5		-19.0		-21.5	
2	-7.0	60.0	-15.5	36.7	-9.0	52.6	-10.5	51.2
3	-2.0	71.4	-5.5	64.5	-3.0	66.7	1.5	114
4	2.5	200	5.0	190	4.5	250	7.5	400.0
5	18.0	620.0	21.5	330.0	13.5	133.3	15.0	100.0
6	26.5	47.2	32.0	48.8	24.0	77.8	21.5	43.3
7	29.0	9.4	42.5	32.8	28.5	18.8	27.0	25.6
8	33.0	13.8	56.0	31.8	33.5	17.5	35.0	29.6
9	30.0	-9.1	66.0	17.9	33.5	0	39.0	11.4
10	29.0	-3.3	72.0	9.1	36.0	7.5	40.0	2.6
11	27.0	-6.9	75.0	4.2	29.0	-26.9	38.5	-3.8
12	26.5	-1.9	77.5	3.3	27.0	-6.9	41.0	6.5
13	27	1.9	87.5	12.9	30.0	11.1	42.5	3.7
14	27.5	1.9	97.0	10.9	32.5	8.3	44.0	3.5

The gearing ratio of all businesses owned by immigrant women was consistently below that of all firm survivors and was only 10% above the gearing ratio of all immigrant survivors after 14 years of operation.

Firms owned and managed by a mix of males and females tended to use more debt capital and less equity, particularly after 7 or 8 years of operation.

Use of Cash Budgeting

Cash budgeting is a major part of developing good cash management practices and maintaining a healthy cash flow. Small businesses owned and managed by women and in particular immigrant women, make more consistent and effective use of cash budgeting than other small businesses.

17% of small businesses run by immigrant women were rated as performing 'consistently well' in terms of the frequency and competence of their cash budgeting, compared with

only 15% for non-immigrant women-run firms, 12% of firms run by men, and for those firms run by a mix of men and women (cf Table 2.32).

TABLE 2.32: NUMBER OF FIRMS USING CASH BUDGETING

Frequency and Competance	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Consistently/Well	842	12	17	17	180	15
Occasionally	3246	47	52	51	614	50
Rarely/Never/Poorly	2776	40	33	32	428	35
TOTALS	6864		102		1222	

Updating Reviewing

(The ability to plan ahead is consistently associated with business survival (cf Chapter 3). It enables enterprises to plan ahead rather than reacting to daily crises.

Also involved with improved management practices is the process of reviewing the business and its products or services. These areas include formal long range planning (more than a year); reviewing location suitability; and reviewing sales/marketing effectiveness and business image.

Of all the owner/manager categories in the sample, immigrant women were found to be least likely to update or review these aspects of their business.

Firms run either by males or a mix of males and females were ranked highest in each of these areas of business review.

Planning and Location Suitability

Table 2.33 illustrates the inadequacy of all owner/manager's use of long-range planning. Table 2.34 suggests that review of location suitability is very limited, and Table 2.35 shows that the review of sales/marketing and business image is also limited.

TABLE 2.33: NUMBER OF FIRMS USING LONG-RANGE PLANS

Frequency and Competance	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Consistently/Well	645	9	7	7	98	8
Occasionally	2526	37	37	36	451	37
Rarely/Never/Poorly	3693	54	58	57	673	55
TOTALS	6864		102		1222	

TABLE 2.34: REVIEW OF LOCATION SUITABILITY

Evaluation	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Excellent-Good	1016	15	12	12	171	14
Average	1028	15	13	13	171	14
Below Average/Rare/Never/Poor	4820	70	77	75	880	72
TOTALS	6864		102		1222	

TABLE 2.35: REVIEW OF SALES/MARKETING EFFECTIVENESS AND BUSINESS IMAGE

Evaluation	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Excellent-Good	1488	22	18	18	220	18
Average	1787	26	26	25	329	27
Below average/Rare/Never/Poor	3589	52	58	57	673	55
TOTALS	6864		102		1222	

Updating of Technology and Product Knowledge

Although small business owned and managed by immigrant women tend to be in the service area, they are most likely to regularly update their technologies and product knowledge (cf Table 2.36). It is generally assumed that unlike manufacturing enterprises service businesses have less technology that requires updating.

TABLE 2.36: UPDATING OF TECHNOLOGY AND PRODUCT KNOWLEDGE

Evaluation	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Excellent-Good	2239	33	39	38	427	35
Average	1963	29	30	30	367	30
Below average/Rare/Never/Poor	2662	39	33	32	428	35
TOTALS	6864		102		1222	

Management Performance

Owner managers were interviewed annually to assess their management of the firm and whether there were strengths or weaknesses in specific aspects of their management style. Significantly it was found that there was no significant relationship between the interviewer's assessment of the business, and its likelihood of success or failure.

It appeared that the bank managers who interviewed small business women tended to underestimate their chances of success.

Use of Financial Data for Managing

There was little difference between the categories of small business in the extent to which owner managers made use of financial data for managing their firms (cf Table 2.37)

13% of immigrant women rated their use of financial data as 'excellent-good'. 14% non-immigrant women, 15% men and 12% mix of male/female owner managers rated themselves at a similar level.

TABLE 2.37: USE OF FINANCIAL DATA FOR MANAGING

Evaluation	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Excellent-Good	1060	15	13	13	170	14
Average	1597	23	25	24	281	23
Below average/Rare/Never/Poor	4207	61	64	63	771	63
TOTALS	6864		102		1222	

Hiring and Motivating Employees

Immigrant women owner/managers performed better than the sample average in their management of employees. Differences between the categories of owner managers were not great however (cf Table 2.38).

29% of immigrant women rated their employee management as 'excellent-good'. This compared with 27% of non-immigrant women, 26% males and 27% mix of male and female owner managers.

TABLE 2.38: HIRING AND MOTIVATING EMPLOYEES

Average Age of Customers	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Excellent-Good	1773	26	29	29	330	27
Average	1770	26	31	30	355	29
Below average/Rare/Never/Poor	3321	48	42	41	537	44
TOTALS	6864		102		1222	

Financial Management

In terms of overall quality of their financial management, immigrant women owner managers rated worst of all small business people (cf Table 2.39). Only 18% of immigrant women-run firms were 'Excellent-Good' financial managers, compared to 19% of non-immigrant women-run firms, and 21% of those firms owned and managed by males.

TABLE 2.40: OVERALL MANAGERIAL PERFORMANCE

Evaluation	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Excellent-Good	1517	22	21	20	252	21
Average	3680	54	59	58	672	55
Below Average/Rare/Never/Poor	1667	24	22	22	298	24
TOTALS	6864		102		1222	

Owner Manager Reactions and Development

Affective Reaction to Role Related Stress

It has been established that stress has a considerable effect on our ability to function effectively. Stress manifests itself in various ways, both overt and less obviously. As discussed earlier, the managerial role requires considerable initiative and the ability to function, often automatically, in circumstances which may be highly ambiguous and unfamiliar. It can be expected that stress would have a major effect on the effective functioning of the owner manager and ultimately on the success of the small business.

Immigrant small business women showed a higher level of stress than either males or non-immigrant women (cf Table 2.41).

TABLE 2.41: AFFECTIVE REACTION

Stress Levels	All Males	Females Born Overseas	Females Born in Australia	Totals
High-Very High	3510 (.20)	57 (.23)	750 (.19)	4317 (.20)
Above-Below Average	11673 (.65)	157 (.64)	2533 (.64)	14363 (.65)
Low-Very Low	2649 (.15)	32 (.13)	673 (.17)	3354 (.15)
TOTALS	17832	246	3956	22034
MEANS	108.09	105.42	109.53	108.32

Immigrant small business women may experience heightened stress due to increased pressure to prove herself in an unconventional role.

Training

Immigrant small business women are less likely than any other category of small business people to undertake management training programs. Table 2.42 details the number of management courses attended by immigrant women and other owner managers.

TABLE 2.42: NUMBER OF FIRMS FROM WHICH OWNER/MANAGERS HAVE ATTENDED MANAGEMENT TRAINING PROGRAMS

Number of Programs	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
None	3834	56	64	63	724	59
1	1272	18	21	20	257	21
2	880	13	13	13	161	13
3	535	8	3	3	60	5
More than 3	343	5	1	1	20	2
TOTALS	6864		102		1222	
MEANS	0.88		0.59		0.69	

In conjunction with a preference to make less use of external advisers than males. This limited commitment to managerial training suggests that immigrant women prefer to rely on their own skills and problem solving abilities, rather than seeking outside expert advice. This preference was also evident in earlier studies (Strahan and Williams 1988) for immigrant small business people in general.

Immigrant small business women may also be unaware of courses and training programs offered and not have sufficient business knowledge to identify training areas which would prove most useful to them.

External Advisers

Firms operated by immigrant women are the least likely of all small businesses to make use of external advisers, (cf Table 2.43). Male owned firms are the most likely to take advantage of external advisers, to use them more frequently and to draw from a wider range of sources.

TABLE 2.43: NUMBER OF FIRMS USING EXTERNAL SOURCES OF ADVICE

	All Males		Females Born Overseas		Females Born in Australia	
	No.	%	No.	%	No.	%
Yes	2554	37	35	34	428	35
No	4310	63	67	66	794	65
TOTALS	6864		102		1222	

Of 35 businesses run by immigrant women which reported having used one or more external advisers, 13 used sources of advice alternative to bank managers, accountants, trade associations or government councillors. The most often used alternative source of advice was family and friends.

The view that small business women prefer to use unofficial sources of advice is supported by this data but more information is needed. This study's qualitative data supported the view that women are reluctant to use official sources of business advice, in particular banks and government counsellors. This reluctance arose out of women's doubts about how sympathetic such advisers might be and as a result of their lack of awareness of different sources of assistance.

This result supports the finding of previous studies (Strahan and Williams 1988) that immigrant entrepreneurs both male and female, are more likely to rely on their own particular skills and problem solving abilities. This was also reflected in the tendency for immigrant small business women to rank their businesses internal problems as the two most serious.

SUMMARY

The principle findings of this chapter are summarised in Figures 2.4.and 2.5

FIGURE 2.4: SUMMARY OF PERSONAL CHARACTERISTICS

PERSONAL CHARACTERISTICS	MEN	IMM. WOM	NON-IMM WOM
Age (mean years)	36	38	37
Education	11	12	10
Work Experience	17	16	16
Management Experience	18	17	17
Business Experience	7	6	7
Married	77%	82%	80%
Supportive Family	23%	15%	18%
Supportive Background	14%	11%	13%
Father's Work	Man/Tech	Man/Tech	Man/Tech
Financial Background (family)	-	-	-
Other in Business (family)	-	-	-
Other Obligations (benefit)	38%	46%	42%
High inner Directedness (task/work)	16%	23%	18%
High People Orientation	18%	15%	16%
High Work Orientation	18%	24%	21%
Compliant Orientation	19%	16%	17%
Aggressive Orientation	28%	34%	30%
Detached Orientation	22%	25%	24%
Motivated-High	12%	14%	12%
Motivated-Low	29%	36%	31%
Internal Locus of Control	16%	24%	18%
Ambiguity Tolerance (high)	13%	11%	12%
Risk Taking Propensity	16%	13%	14%

**FIGURE 2.5: SUMMARY OF ENTERPRISE CHARACTERISTICS AND
MANAGEMENT PERFORMANCE**

ENTERPRISE CHARACTERISTICS	MEN	IMM. WOM	NON-IMM WOM
Legal Form—Sole	29%	26%	17%
Legal Form—Partnership	29%	36%	33%
Legal Form—Company	42%	38%	50%
Low Gearing	14%	19%	14%
Start-up—Purchased	30%	19%	14%
Start-up—from Scratch	68%	71%	71%
Start-up Size (1-5)	78%	81%	83%
Start-up Preparation (good)	11%	16%	14%
MANAGEMENT PERFORMANCE			
Overall High Performance	22%	20%	21%
Few Customers	21%	25%	23%
Growth—Employees		180%	
Growth—Sales		900%	
Growth—Net Profit			
Growth—Cash Flow			
Cash Budget (well)	12%	17%	15%
Planning (well)	9%	7%	8%
Reviewing—Location	15%	12%	14%
Reviewing—Marketing	22%	18%	18%
Updating Technology	33%	38%	35%
Use of Financial Data	15%	13%	14%
Motivating Employees	28%	29%	27%
Financial Management	21%	18%	19%
Overall Management Performance	22%	20%	21%
Stress (high)	20%	23%	19%
Training (none)	56%	63%	59%
External Advice Used	37%	34%	35%

CHAPTER 3: COMPARATIVE ANALYSIS OF THE CHARACTERISTICS OF FAILING AND SURVIVING SMALL BUSINESSES OWNED BY IMMIGRANT WOMEN

Introduction

In order to focus on the factors and mechanisms which affect the success of immigrant small business women in small business, surviving and failing enterprises are compared in this chapter. Chi square analysis is used to highlight significant differences between survivors and failures.

The discussion refers to 102 small businesses owned and managed by 210 immigrant women. The tables also refer to 6864 male owned and 1222 Australian female owned businesses.

The chi square measure at the bottom of each table relates only to overseas born small business women.

Owner/Manager Characteristics

Age

The owner/manager's age of entry to small business plays a part in determining the knowledge and experience s/he brings to the role, and influences the success or failure of that business. Early middle age appears to be an optimum age for starting a small business, combining the best of experience, education and motivation to succeed. For small business women in particular it is thought that personal and family commitments may be less pressing at a later age, allowing more time and effort for her to pursue the small business venture.

The relationship between age when starting the business and survival of the business is shown in Table 3.1, (Chi Square = 3.51, df = 4).

Age was not a significant factor influencing the success of small businesses operated by immigrant women. Women aged between 30 and 39 years, however, operated the greatest number of successful businesses.

In the total sample age of entry to business ownership was significantly related to the success of the business. Failures were fewest amongst firms whose owner/manager started in business aged between 30 and 39 years

The lack of a significant relationship between owner/manager's age and business success for immigrant women may be explained by their lack of general experience before starting the business.

Immigrant women owner/managers had the least experience of all small business people at either employee, management or proprietor level. Although she may reach middle age before starting her business, she is less likely to have acquired skills and knowledge through experience which may assist in the successful pursuit of this entrepreneurial role.

TABLE 3.1: AGE OF ENTRY TO BUSINESS OWNERSHIP

Age Groups Survival Status	All Males		Sub-Samples Females Born		Australia	
	No.	%	Overseas No.	%	No.	%
Under 20 years						
Failures	54	69	1	1	10	71
Survivors	24	31	-		4	29
	78		1		14	
20 to 29 years						
Failures	863	54	16	67	158	58
Survivors	729	46	8	33	114	42
	1592		24		272	
30-39 years						
Failures	1524	50	27	59	287	54
Survivors	1532	50	19	41	245	46
	3056		46		532	
40-49 years						
Failures	837	59	17	81	108	40
Survivors	574	41	4	19	162	60
	1411		21		270	
Over 49 years						
Failures	385	53	7	70	80	60
Survivors	342	47	3	30	54	40
	727		10		134	
TOTALS	6864		102		1222	

(Chi Square—3.5, df=4)

Education and Experience

The small business person brings various skills, knowledge and expectations to the owner/manager role, which will ultimately influence the successful startup and operation of the business. These skills are the result of varied life experiences, including the amount and type of formal education, and employment experience as an employee, manager or business owner .

Level of Formal Education

The level of formal education completed by immigrant small business women was not found to be significantly related to success of the small business. The greatest number of businesses were successful, however, where the women reported a high number of years of formal education.

The relationship between the number of years of formal education completed and success of the business is shown in Table 3 . 2 .

The owner/manager's level of formal education completed was also not found to be significant for the total sample.

Duration and Relevance of Formal Education

Duration and relevance of formal education undertaken was found to be significant to business success both for immigrant women and for the total sample, (cf Table 3 . 3) .

Businesses operated by immigrant women were most likely to be successful if the relevance and duration of the owner/manager's formal education was rated as 'excellent' or 'good'.

Of those firms where the immigrant women rated the relevance and duration of her formal education as 'excellent' or 'good', 71% survived . By comparison, of those firms where the owner/manager's education was rated as 'poor-very poor', 21% were successful .

These results suggest that beyond a basic level of education, the level of education achieved is less significant than its relevance. This is of particular importance for small business women because they are more likely to undertake education which is not directly relevant to a career in small business. This is supported in Chapter 2 where women in small business ranked the relevance of their educational background to an entrepreneurial career as generally poor.

Occupational. Management and Ownership Experience

Skills and knowledge which may be relevant to the owner/manager role can be gained not only through formal education, but also through experience at the level of an employee, manager or business owner. Experience as an employee or business owner is measured in terms of duration and relevance of that experience and management experience is measured by number of years as a manager.

TABLE 3.2: FORMAL EDUCATION - LEVEL COMPLETED

Level Completed Survival Status	All Males		Sub-Samples Females Born Overseas		Australia	
	No.	%	No.	%	No.	%
Primary						
Failures	45	52	1	1	9	56
Survivors	41	48	-	-	7	44
	86		1		16	
Secondary Year 4						
Failures	1139	53	25	78	213	53
Survivors	1016	46	7	22	188	47
	2155		32		401	
Secondary Year 6						
Failures	1203	55	23	68	203	49
Survivors	1002	45	11	32	213	51
	2205		34		416	
Tertiary						
Failures	1276	53	19	54	218	56
Survivors	1142	47	16	46	171	44
	2418		35		389	
TOTALS	6864		102		1222	

(Chi Square-4.25, df=3)

Occupational Experience

The duration and relevance of an immigrant woman's work experience as an employee was not found to be significantly related to business success.

The relationship between experience as an employee and business success was found to be significant for the total sample. The business was most likely to survive if the duration and relevance of the owner/manager's employee experience is rated either 'excellent-good', or 'above/below average'.

This result for businesses run by immigrant women suggests that hands-on experience at the employee level is unlikely to be relevant to the owner/manager role. One explanation for this may be that of employees who subsequently become involved in small business, immigrant women are the least likely to be in situations where they acquire skills and experience worthwhile for the owner/manager role.

TABLE 3.3: DURATION AND RELEVANCE OF FORMAL EDUCATION

Level Completed Survival Status	All Males		Sub-Samples Females Born Overseas		Australia	
	No.	%	No.	%	No.	%
Excellent-Good						
Failures	294	47	2	29	42	44
Survivors	327	53	5	71	53	56
	621		7		95	
Above/Below Average						
Failures	2357	52	43	65	431	54
Survivors	2134	48	23	35	366	46
	4491		66		797	
Poor—Very Poor						
Failures	1012	58	23	79	170	52
Survivors	740	42	6	21	160	48
	1752		29		330	
TOTALS	6864		102		1222	

(Chi Square-6.84, df=2)

Management Experience

The duration of the owner/manager's experience as a manager in the same trade, occupation or profession as the proposed business was found to be significantly related to success both for businesses operated by immigrant women, and for the total sample, (cf Table 3.5).

Immigrant women with more than two years experience as managers in the same area of business were more likely to operate successful businesses.

The likelihood of business success increased sharply the greater the number of years of management experience. Of those firms where the immigrant women had only 1-5 years management experience, 43% were successful, compared to 46% for those who had 5-10 years, and 50% for those with 10-20 years experience. Of those firms where the owner/manager had no previous management experience, only 12% were successful.

TABLE 3.4: DURATION AND RELEVANCE OF OCCUPATIONAL EXPERIENCE (AS EMPLOYEE)

Rating Survival Status	All Males		Sub-Samples Females Born			
	No.	%	Overseas No.	%	Australia No.	%
Excellent-Good						
Failures	737	51	11	58	141	51
Survivors	719	49	8	42	135	49
	1456		19		276	
Above/Below Average						
Failures	2156	54	38	63	346	50
Survivors	1849	46	22	37	342	50
	4005		60		688	
Poor-Very poor						
Failures	770	55	19	83	156	60
Survivors	633	45	4	17	102	40
	1403		23		258	
TOTALS	6864		102		1222	

(Chi Square-3.49, df=2)

The relationship between the duration of the owner/manager's previous management experience and success of the business is shown in Table 3.5. This relationship was found to be statistically significant, (Chi Square = 13.9, df = 5).

**TABLE 3.5:DURATION OF MANAGEMENT EXPERIENCE IN SAME TRADE,
OCCUPATION OR PROFESSION AS PROPOSED BUSINESS**

Duration Survival Status	All Males		Sub-Samples			
			Females		Born	
	No.	%	Overseas No.	%	Australia No.	%
None						
Failures	1413	56	30	88	230	54
Survivors	1124	44	4	42	199	46
	2537		34		429	
Under 2 years						
Failures	1121	53	20	61	207	55
Survivors	999	47	13	39	172	45
	2120		33		379	
2-5 years						
Failures	468	53	8	57	79	49
Survivors	419	47	6	43	81	51
	887		14		160	
5-10 years						
Failures	416	52	7	54	83	53
Survivors	389	48	6	46	75	47
	805		13		158	
10-20 years						
Failures	195	52	3	50	36	49
Survivors	179	48	3	50	38	51
	374		6		74	
Over 20 years						
Failures	50	35	-		8	36
Survivors	91	65	2	1	14	64
	141		2		22	
TOTALS	6864		102		1222	

(Chi Square—13.9, df=5)

For the total sample the owner/manager's previous management experience was also found to have a significant effect on the success of the business. Owner/managers with the greatest number of years of management experience were most likely to operate successful businesses. However, the management experience of non-immigrant small business women did not increase the likelihood of operating a successful business.

Immigrant womens' management experience had a positive effect on business success, whereas experience as an employee did not. This suggests that as managers, they had the opportunity to develop and practise important skills, while as employees, this was not open to them. Experience in the employer rather than the employee role is more important to immigrant small business women than to other small business people. This

suggests that women succeed in their business despite a lack of employee and management experience. Whereas males in small business found employee and proprietor experience contributed to the likelihood of business success, immigrant women were not significantly affected by this.

This study's reference group has emphasised the vast difference in responsibilities and learning potential of the employer and employee role for women. It also highlighted the adjustment which may be necessary to make a transition between the two. Other potentially valuable experience particular to the employer role identified by the reference group included more direct contact with the business world and involvement with financial management.

Ownership Experience

Ownership experience could be expected to provide the owner manager with knowledge of business management and the demands of this role. The duration and relevance of any previous business ownership, however, was not found to be significantly related to the success of those businesses operated by immigrant women.

The relationship between previous ownership experience and success of the business is shown in Table 3.6.

Previous ownership experience was also not related to business success for the total sample.

A clear explanation for this result is that owner/managers may have had previous business ownership experience in failed businesses. It cannot be assumed that the weaknesses which led to the failure of the previous business will have been identified and corrected. Problems which led to the failure of one business may be repeated in the operation of the current enterprise.

**TABLE 3.6: DURATION AND RELEVANCE OF OWNERSHIP
(ENTREPRENEURIAL) EXPERIENCE**

Rating Survival Status	All Males		Sub-Samples Females Born			
	No.	%	Overseas No.	%	Australia No.	%
Excellent/Good						
Failures	101	54	-		21	57
Survivors	86	46	2	1	16	43
	187		2		37	
Above/Below Average						
Failures	603	54	8	57	85	55
Survivors	519	46	6	43	69	45
	1122		14		154	
Poor/Very Poor						
Failures	2959	53	60	70	537	52
Survivors	2596	47	26	30	494	48
	5555		86		1031	
TOTALS	6864		102		1222	

(Chi Square—4.92, df=2)

Family Background

Family background may be expected to have a significant influence on the development of attitudes and motivations which will play a part in the owner/manager role. Childhood experience of authority and discipline and parental expectations of achievement and independence may play an important role in this process.

Parental expectations and childhood experiences play a role in developing a tendency towards achievement oriented behaviour, desire for independence and personal criteria for economic and other success.

Enthusiasm and support for the small business by her spouse and family can be of considerable benefit to the owner/manager. This support may be provided either in the form of paid or unpaid assistance to the business, general support and enthusiasm for the commitments of the owner/manager role or assistance with those non-business demands which compete for the owner/manager's time and energy. In the case of small business women in particular, practical help with family and domestic commitments may represent substantial assistance.

'Family' was defined either as parents and siblings, or the owner/manager's own children.

Marital and Family Support

Businesses operated by immigrant women were not significantly affected by the level of support provided by her spouse and family (cf Table 3.7). However, the highest proportion of successful businesses was among those where the owner/manager ranked the level of support as 'excellent'.

Enthusiasm and support for the business by spouse and family was, however, significantly related to business success for the total sample.

In another study using the same data base, (Strahan and Williams 1988), family support was shown to be significant to the success of small businesses especially those operated by immigrants.

Partitioning of the sample now suggests that immigrant males receive support from spouse and family, and this increases the likelihood of business success. Immigrant women, however, receive less support, but do not find that this has a significant effect on the likelihood of operating a successful business.

Less than 6% of immigrant women had husbands who were involved in their wives' business on a full or part-time basis. Information on the specific occupation of the husband is not indicated, however, this result indicates a minimal level of practical support for the business venture. Of the married immigrant women, 164 (81.19%) had husbands who were unable and/or willing to be involved-in their wife's business endeavours.

Although immigrant women may view family support as important, the absence of support does not significantly affect the success of their businesses.

This result suggests that more powerful factors are at work which affect the success and failure of businesses operated by immigrant women.

Father's Main Work

The main occupation of the owner/manager's father, whether self-employed or in any of the three main categories of work (professional, manual/technical, clerical), had a significant effect on the success of all small businesses.

Businesses operated by immigrant women were less likely to be successful if her father worked in the manual or technical area, and more likely to be successful if he was self-employed.

TABLE 3.7: MARITAL AND FAMILY SUPPORT

Rating Survival Status	All Males		Sub-Samples Females Born			
	No.	%	Overseas No.	%	Australia No.	%
Excellent/Good						
Failures	758	51	9	45	130	48
Survivors	722	49	11	55	140	52
	1480		20		270	
Above/Below Average						
Failures	2548	53	52	72	436	52
Survivors	2220	47	20	28	397	48
	4768		72		833	
Poor/Very Poor						
Failures	357	58	7	70	77	65
Survivors	259	47	3	30	42	35
	616		10		119	
TOTALS	6864		102		1222	

(Chi Square—5.19, df=2)

Immigrant women whose fathers worked in a professional area were no more or less likely to operate successful businesses.

Of those immigrant women whose fathers worked in the manual or technical areas, 17% operated successful firms. Where her father was self-employed, 54% of these firms were successful (cf Table 3.8).

For the total sample also, the relationship between the main work of the owner/manager's father and success of the business was found to be statistically significant. Owner/managers whose fathers were self-employed were most likely to operate successful businesses, and those whose fathers were employed in the clerical/admin area were least likely to be successful.

This result suggests that through exposure to small businesses operated by their father, immigrant women and all other small business people pick up knowledge and experience which is useful to them. First hand contact with a small business may help

to create a more realistic picture of the demands of this occupation and may also increase motivation for the independence and autonomy of the owner/manager role.

Although the occupation of the owner/manager's mother is also of interest to this research, and to have a significant influence on immigrant small business women in particular, this information is unfortunately not available from the data.

Parent's General Financial Condition

The financial standing of the owner/manager's parents and their consequent social status can be expected to have a large influence on the owner/manager as an adult. The strength of motivation to achieve financial security may to a large extent be a result of childhood experience.

Small business people from poorer, working class families could be expected to strive for greater financial security than that achieved by their parents, whereas those from a wealthy background may be less strongly motivated.

The motivation for independence which is an important part of the entrepreneurial role also involves the desire for financial independence.

There was a significant relationship between the financial condition of the owner/manager's parents and survival of the business. Immigrant women owner/managers whose parents were classed as 'fairly poor' were more likely to operate successful businesses, followed by those whose parents were classed as having 'frequent financial problems', (cf Table 3.9).

Of those businesses where the immigrant women classed her parents as 'fairly poor', 57% were successful. Owner/managers whose parents were described as 'wealthy' were least likely to be operating successful businesses—11% of these businesses were successful.

The relationship between success of the business and the financial condition of the owner/manager's parents, was also significant for non-immigrant women, but not for males. This suggests that small business women are more likely to be influenced by their financial background than are small business men.

For women, their motivation to rise above their poor background may be strongly reinforced by the disadvantage and discrimination they must overcome in taking on an entrepreneurial career and taking responsibility for their own economic well being. Their determination to succeed in economic terms is likely to be very high because they are women from poor families, choosing a risky career in small business.

Siblings and Other Close Relatives in Business

Exposure to the running of a business through family or friends can provide useful knowledge and experience applicable to one's own business.

TABLE 3.8: FATHER'S MAIN WORK

Work Categories Survival Status	All Males		Sub-Samples Females Born		Australia	
	No.	%	Overseas No.	%	No.	%
Employees: Professional						
Failures	290	55	4	67	58	57
Survivors	235	45	2	33	43	43
	525		6		101	
Clerical/Admin						
Failures	1092	57	17	59	184	56
Survivors	831	43	12	41	146	44
	1923		29		330	
Manual/Technical						
Failures	1369	52	34	83	238	51
Survivors	1284	48	7	17	232	49
	2653		41		470	
Self-employed						
Failures	717	52	11	46	130	49
Survivors	659	48	13	54	138	51
	1376		24		268	
TOTALS	6864		102		1222	

(Chi Square—11.42, df=4)

As with owner/managers whose fathers were self-employed, first hand observation of small business through family and friends can contribute both to a more realistic idea of the commitments involved in the owner/manager role, and to a desire for the independence and autonomy of this role.

The success of small businesses operated by immigrant women, however, was not significantly influenced by her experience of business management through close relatives.

For the total sample it was more likely owner/managers who had one or more self-employed close relatives would operate a successful business.

This result may suggest that close relatives are less willing to involve immigrant women in aspects of their business which may subsequently prove useful to the owner/manager role.

Owner/Manager Response Traits

A key part of the owner/manager role is the way in which s/he interacts with others, and her ability to communicate effectively with a wide variety of people. On a continuing basis the people or work aspects of operating a business are given implicit priority.

People vs Work Orientation

An owner/manager with a high people orientation concentrates primarily on the various types of interaction required with people such as customers, staff and suppliers who may be involved in a given task. Those with a high work orientation give a higher priority to the work needed to be done and are concerned less with the people aspects of the task.

There is a significant relationship between people/work orientation and business survival for firms operated by immigrant women. Immigrant women with a strong work orientation and low people orientation are most likely to operate successful firms 60% of these firms were successful.

Of those firms where the immigrant woman showed a low work orientation and high people orientation, 24% were successful.

The relationship between people/work orientation and success of the business is shown in Table 3.11.

In the total sample it was also found that businesses where the owner/manager had a strong work orientation were most likely to survive.

Interpersonal Traits

The owner/manager's style in dealing with people can be classified as: compliant, needing other people for approval and protection; detached, staying independent and

free of obligations to others; or aggressive, using competition and manipulation to deal with other people. (Horney 1945, 1950)

TABLE 3.9: PARENTS' GENERAL FINANCIAL CONDITION

Financial Categories Survival Status	All Males		Sub-Samples			
			Females		Born	
	No.	%	Overseas No.	%	Australia No.	%
Wealthy						
Failures	403	55	8	89	73	63
Survivors	336	45	1	11	43	37
	739		9		116	
Fairly well-off						
Failures	587	53	10	71	110	61
Survivors	526	47	4	29	71	39
	1113		14		181	
Average						
Failures	1678	53	36	77	299	52
Survivors	1461	47	11	23	277	48
	3139		47		576	
Frequent Problems						
Failures	569	54	8	44	90	45
Survivors	477	46	10	56	110	55
	1046		18		200	
Fairly Poor						
Failures	426	52	6	43	71	48
Survivors	401	48	8	57	78	52
	827		14		149	
TOTALS	6864		102		1222	

(Chi Square—11.81, df=4)

TABLE 3.10: SIBLINGS/OTHER CLOSE RELATIVES (NOT PARENTS) IN BUSINESS

In Business? Survival status	All Males		Sub-Samples			
			Females		Born	
	No.	%	Overseas No.	%	Australia No.	%
Yes						
Failures	2411	51	51	70	449	52
Survivors	2299	49	22	30	412	48
	4710		73		861	
No						
Failures	1252	58	17	59	194	54
Survivors	902	42	12	41	167	46
	2154		29		361	
TOTALS	6864		102		1222	

(Chi Square—1.17, df=1)

Compliant Orientation

Compliant orientation is characterised by conformity, lack of assertiveness and dependence on others.

There was a significant relationship between the owner/manager's level of compliant orientation and the success of the business, both for small businesses run by immigrant women and for the total sample.

Small businesses operated by immigrant women were most likely to fail when the owner/manager showed a high or average level of compliant orientation.

Of those businesses where the immigrant woman showed a high level of compliant orientation 20% survived, whereas for those firms where there was a low level, 68% survived.

The relationship between compliant orientation and business success is shown in Table 3.12.

Within the total sample the relationship between compliant orientation and business success was found to be significant for businesses operated by non-immigrant women owner/managers, but not for male-owned businesses.

TABLE 3.11: INTERPERSONAL RESPONSE TRAITS PEOPLE V. WORK ORIENTATION

Rating Survival Status	All Males		Sub-Samples			
			Females		Born	
	No.	%	Overseas No.	%	Australian No.	%
People Work High/Low						
Failures	673	57	13	76	127	58
Survivors	517	43	4	24	93	42
	1190		17		220	
Mod./Mod.						
Failures	2338	53	47	72	397	52
Survivors	2070	47	18	28	364	48
	4408		65		761	
Low/High						
Failures	652	52	8	40	119	49
Survivors	614	48	12	60	122	51
	1266		20		241	
TOTALS	6864		102		1222	

(Chi Square—8.07, df=2)

Small business women were therefore generally less successful than men when they used a less assertive style in dealing with others.

Aggressive Orientation

'Aggressive' orientation should not be interpreted negatively in this context. An owner/manager who uses an aggressive interpersonal style is able to assertively present their demands to the other person, in order to achieve specific objectives.

Owner/managers with a high level of aggressive orientation in their dealings with others were most likely to be operating successful businesses (cf Table 3.13).

This relationship between aggressive orientation and business success was found to be true both for small businesses operated by immigrant women and for the total sample.

Of those firms operated by immigrant women who were rated as having a high aggressive orientation, 61% were successful. Where the immigrant women rated a low aggressive orientation, 23% of the firms were successful.

TABLE 3.12: INTERPERSONAL RESPONSE TRAITS (COMPLAINT ORIENTATION)

Rating Survival Status	All Males		Sub-Samples Females Born		Australia	
	No.	%	Overseas No.	%	No.	%
High/Very High						
Failures	708	55	16	80	141	60
Survivors	571	45	4	20	94	40
	1279		20		235	
Above/Above Average						
Failures	2220	53	45	75	376	52
Survivors	1937	47	15	25	341	48
	4157		60		717	
Low/Very Low						
Failures	735	51	7	32	126	47
Survivors	693	49	15	68	144	53
	1428		22		270	
TOTALS	6864		102		1222	

(Chi Square—17.27, df=2)

A strong detached interpersonal style indicates independence and self sufficiency. Immigrant women with strong detached orientation were most likely to operate successful businesses.

For those firms operated by immigrant women with a high level of detached orientation, 62% survived. For those reporting 'low-very low' levels, 20% survived.

The relationship between detached orientation and survival of the business is shown in Table 3.14.

TABLE 3.13: INTERPERSONAL RESPONSE TRAITS (AGGRESSIVE ORIENTATION)

Rating Survival Status	All Males		Sub-Samples Females Born		Australia	
	No.	%	Overseas No.	%	No.	%
High/Very High						
Failures	1013	53	11	39	151	42
Survivors	886	47	17	61	210	58
	1899		28		361	
Above/Above Average						
Failures	2185	52	47	77	405	57
Survivors	1986	48	14	23	311	43
	4171		61		716	
Low/Very Low						
Failures	465	59	10	77	87	60
Survivors	329	41	3	23	58	40
	794		13		145	
TOTALS	6864		102		1222	

(Chi Square—13.03, df=2)

Within the total sample, a strong detached orientation was significantly related to the success of businesses operated by non-immigrant women, but not for businesses with male owner/mangers.

A high level of detachment in dealing with others proved to have a far more positive effect for small business women than for men.

Small business women who establish their own business style and rules and remain independent of the prevailing male approach may be more effective and professional and their business are likely to be more successful.

TABLE 3.14: INTERPERSONAL RESPONSE TRAITS (DETACHED ORIENTATION)

Rating Survival Status	All Males		Sub-Samples Females Born		Australia	
	No.	%	Overseas No.	%	No.	%
High/Very High						
Failures	805	52	8	38	132	46
Survivors	730	48	13	62	157	54
	1535		21		289	
Above/Above Average						
Failures	2023	53	44	72	343	52
Survivors	1791	47	17	28	311	48
	3814		61		654	
Low/Very Low						
Failures	835	55	16	80	168	60
Survivors	680	45	4	20	111	40
	1515		20		279	
TOTALS	6864		102		1222	

(Chi Square—10.36, df=2)

The small business person demonstrates a high level of motivation when s/he consistently strives to achieve personal standards and goals. This motivation may be manifest through a general desire to achieve, or through a more specific desire to succeed in the role of owner/manager.

Role Success Motivation

The small business person is motivated to be successful in the role of owner/manager either by positive factors such as a desire for self expression, or a need for independence, or by negative factors such as dissatisfaction with previous employment experience, or inability to find employment elsewhere.

Immigrant small business women with a strong motivation to succeed in the owner/manager role are most likely to operate successful businesses.

Of those immigrant women with a 'strong-very strong' motivation to succeed in this role, 69% ran successful businesses. In comparison, of those businesses where the immigrant women reported 'weak-very weak' role success motivation only 12% were successful.

Table 3.15 details the relationship between role success motivation of the owner/manager and success of her business.

TABLE 3.15: ROLE (BUSINESS OWNERSHIP) SUCCESS MOTIVATION

Rating Survival status	Males		Sub-Samples		Females Born	
			Overseas		Australia	
	No.	%	No.	%	No.	%
Strong/Very Strong						
Failures	1040	52	9	31	169	45
Survivors	952	48	20	69	207	55
	1992		29		376	
Moderate						
Failures	1372	53	30	75	223	52
Survivors	1240	47	10	25	205	48
	2612		40		428	
Weak/Very Weak						
Failures	1251	55	29	88	251	60
Survivors	1009	45	4	12	167	40
	2260		33		418	
TOTALS	6864		102		1222	

(Chi Square=24.49, df=2)

Within the total sample those businesses run by non-immigrant women with strong role success motivation were most likely to succeed. For businesses with male owner/managers, however, there was not a significant relationship between success and role success motivation.

Businesses run by women benefit more than those run by men through the women's commitment to the owner/manager role. This suggests that women benefit from the strong commitment to the demands of entrepreneurial role. Women beginning in small business are likely to be very aware not only of the risks faced by all small business people, but also the added disadvantages they will face. This awareness increases the strength and focus of their motivation to be successful in the owner/manager role.

Task and Achievement Motivation

Task and achievement motivation is a measure of the owner/manager's desire to be successful and to achieve personal standards of excellence. This is measured in terms of the person's aspiration level, their desire for socio-economic mobility, persistence, and other factors illustrating achievement-oriented behaviour.

Owner/managers with a high achievement motivation operate enterprises with a significantly higher rate of business survival than those with a lower rating. This

result was consistent for businesses operated by immigrant women and for the total sample.

Of those immigrant women owner/managers who were 'high-very high' task and achievement motivated, 79% of their businesses survived. In contrast, for who 'above/below average', 28% survived, and those who had low on very low task and achievement motivation, only 21% survived.

Table 3 .16 illustrates the relationship between task and achievement motivation and the success of the business.

Strongest Reasons for Starting the Business

Owner/managers were asked to nominate reasons for starting their business and to rate the strength of motivation for each of these reasons.

The relationship between owner/managers who nominated 'Strong-Very Strong' motivation for a particular business startup reason, and success of the business was not significant for businesses operated by immigrant women.

The highest percentage of successful businesses was among those firms where the immigrant woman had nominated either 'Build a future investment for myself and my family', 'Prove I can be a success', or 'No future as an employee': as their strongest reasons for starting the business.

TABLE 3.16: TASK AND ACHIEVEMENT MOTIVATION

Rating Survival status	All Males		Sub-Samples Females Born			
	No.	%	Overseas No.	%	Australia No.	%
High/Very High						
Failures	327	37	3	21	71	44
Survivors	552	63	11	79	89	56
	879		14		160	
Above/Below Average						
Failures	1862	48	43	72	498	53
Survivors	2002	52	17	28	449	47
	3864		60		947	
Low/Very Low						
Failures	1474	69	22	79	74	64
Survivors	647	31	6	21	41	36
	2121		28		115	
TOTALS	6864		102		1222	

(Chi Square=15.83, df=2)

These reasons, particularly the first two, indicate a strong personal commitment to the business, and an active decision, possibly reacting to current circumstances. Immigrant women who nominated 'no future as an employee' were clearly reacting to dissatisfaction with a previous work situation. This is an example of obviously negative motivation for beginning a small business. Women who nominated 'build a future investment...' may also be reacting to negative motivation in attempting to give their family financial security which it might otherwise lack. The literature has suggested that women tend to be motivated by negative reasons than positive when establishing themselves in small business.

The relationship between responses indicating strong startup motivation and business success is shown in Table 3.17

**TABLE 3.17: RESPONSES INDICATING STRONG - VERY STRONG STARTUP
MOTIVATION**

Startup Reason Survival Status	All Males		Sub-Samples Females Born		Australia	
	No.	%	Overseas No.	%	No.	%
No future as employee						
Failures	501	55	7	58	86	51
Survivors	404	45	5	42	84	49
	905	(2)	12	(4)	170	(1)
Extra Income						
Failures	373	58	7	64	64	52
Survivors	271	42	4	36	60	48
	644	(6)	11	(5)	124	(6)
Build Future Investment						
Failures	324	54	3	38	54	51
Survivors	296	46	5	62	52	49
	638	(7)	8	(8)	106	(8)
Wish to be Independent						
Failures	199	52	5	83	32	51
Survivors	181	48	1	17	31	49
	380	(10)	6	(9)	63	(9)
Influence of Others						
Failures	262	60	5	71	34	57
Survivors	172	40	2	29	26	43
	434	(9)	7	(10)	60	(10)
Prove I can be a Success						
Failures	209	46	5	56	58	46
Survivors	250	54	4	44	69	54
	459	(8)	9	(7)	127	(5)
Dislike Working for Others						
Failures	382	54	8	73	64	53
Survivors	331	46	3	27	57	47
	713	(5)	11	(6)	121	(7)
To make Money from Ideas						
Failures	478	52	9	64	76	48
Survivors	449	48	5	36	82	52
	927	(1)	14	(1)	158	(2)
Future Financial Security						
Failures	494	55	9	75	83	58
Survivors	403	45	3	25	61	42
	897	(3)	12	(3)	144	(4)
Needed Work / (unemployed)						
Failures	566	65	10	83	92	62
Survivors	301	35	2	17	57	38
	867	(4)	12	(2)	149	(3)
TOTALS	6864		102		1222	

(Chi Square = 6.98, df=9)

(Figures in brackets indicate ranking of importance of factors influencing startup motivation).

Within the total sample the relationship between business startup reason and the success of the business was significant for those businesses operated by male owner/managers, but not for women. The highest percentage of successful businesses with male owner/managers was among those who nominated 'prove I can be a success' as their strongest motivation for establishing a business.

Locus of Control

A person with a strong internal locus of control strongly believes that his/her skills and abilities will determine the outcome of events, more than chance or the influence of others.

The relationship between internal locus of control of the owner/manager and business survival was found not to be significant for firms run by immigrant women.

Table 3.18 illustrates the relationship between the owner manager's locus of control and success of the business.

TABLE 3.18 LOCUS OF CONTROL (INTERNAL)

Rating Survival Status	All Males		Sub-Samples			
			Females		Born	
	No.	%	Overseas No.	%	Australia No.	%
High/Very High						
Failures	565	51	7	44	93	44
Survivors	539	49	9	56	117	55
	1104		16		210	
Above/Below Average						
Failures	2051	54	39	68	340	52
Survivors	1764	46	18	32	313	48
	3815		57		653	
Low/Very Low						
Failures	1047	54	22	76	210	58
Survivors	898	46	7	24	149	42
	1945		29		359	
TOTALS	6864		102		1222	

(ChiSquare=4.98, df=2)

This relationship was found to be significant for the total sample. Within the total sample, however, the relationship was significant for businesses run by non-immigrant women but not for males. Success of the business for immigrant women and males was not affected by the owner/manager's locus of control.

Non-immigrant women with a high internal locus of control were more likely to operate successful businesses.

Business success for immigrant women was strongly influenced by general orientation towards achievement behaviour, and specific desire to succeed in the owner/manager role, while locus of control was not significant.

Ambiguity Tolerance

There was a significant relationship between the owner/manager's ability to function well in ambiguous and uncertain circumstances and the survival of the business.

Immigrant women with a high tolerance of ambiguity were most likely to be involved with surviving firms. Of those firms where immigrant women reported 'high-very high' tolerance of ambiguity, 75% were successful. Where they reported a low tolerance of ambiguity, 26% of firms survived (cf. Table 3.19).

TABLE 3.19: AMBIGUITY TOLERANCE

Rating Survival Status	All Males		Sub-Samples Females Born		Australia	
	No.	%	Overseas No.	%	No.	%
High/Very High						
Failures	431	51	3	25	60	37
Survivors	415	49	9	75	102	63
	846		12		162	
Above/Below Average						
Failures	2415	53	48	72	441	56
Survivors	2127	47	19	28	347	44
	4542		67		788	
Low/Very Low						
Failures	817	55	17	74	142	52
Survivors	659	45	6	26	130	48
	1476		23		272	
TOTALS	6864		102		1222	

(Chi Square=10.62, df=2)

The relationship between the owner/manager's tolerance of ambiguity and business success was also significant for businesses run by non-immigrant women, but not for those males.

Tolerance of uncertain and ambiguous circumstances was clearly more important to business success for women than for men.

Risk Taking Propensity

There is a degree of risk involved in working in uncertain or ambiguous circumstances. Accepting the risky nature of the small business role requires a balance between being irrationally willing to take ill-considered risks, and being overly cautious and avoiding risks altogether.

There was no significant relationship between immigrant women's willingness to take risks and the success of their businesses. However, immigrant women who were neither highly risk prone nor highly risk averse, were most likely to operate successful businesses.

The relationship between propensity toward risk taking and success of the business is shown in Table 3.20.

For the total sample the relationship between risk taking propensity and business survival was significant. Male owner/managers who were neither risk averse or risk prone were most likely to operate successful businesses. Non-immigrant women who were risk averse were most likely to be successful. This balance between unnecessarily avoiding risks and perhaps being overly confident about taking risks, was also stressed as advantageous by the study's Reference Group.

Characteristics of the Enterprise

Management Practices

Major Problems Confronted

Owner/managers were asked to rank business problems by how often these problems had been confronted, and their overall seriousness.

There was no significant relationship between the confrontation of particular problems and success or failure of immigrant women businesses. The highest percentage of failures was in those businesses where 'sales/marketing' or 'cash flow' were seen as the most serious problems.

The relationship between major problems confronted and success of the business is shown in Table 3.21.

The relationship between the most significant problems confronted and business success was however significant for total sample. The relationship was not significant to the success of businesses run by non-immigrant women.

Businesses operated by men were most likely to fail when the major problems nominated were either management incompetence, sales/marketing, or cash flow. The failure rate for these firms was 57% in each case. Male-operated firms were least likely to fail if the major problem nominated was staffing/unions.

Awareness and confrontation of specific business problems increases the survivability of male-owned firms but is not significant to the success of firms run by women.

This result suggests that other factors outweighed the importance of confronting specific problems for the success of businesses operated by women.

TABLE 3.20: RISK-TAKING PROPENSITY

Rating Survival Status	All Males		Sub-Samples Females Born			
	No.	%	Overseas		Australia	
	No.	%	No.	%	No.	%
High/Moderate RA						
Failures	562	54	12	80	85	43
Survivors	483	46	3	20	113	57
	1045		15		198	
Slightly RA to RP						
Failures	2591	50	49	62	483	53
Survivors	2642	50	30	38	432	47
	5233		79		915	
High/Moderate RP						
Failures	313	53	7	88	75	69
Survivors	273	47	1	12	34	31
	586		8		109	
TOTALS	6864		102		1222	

(Chi Square=3.45, df=2)

Adequacy of Startup Preparation

Bearing in mind the specific type of business venture planned, startup preparation could include assessing such details as product/market feasibility, financing, business

location, legal aspects of ownership, suppliers etc. This preparation would include the use of people and information resources. The overall quality of startup preparation was assessed in terms of time taken for the total process, number of sources consulted for advice and the extent of planning and preparation undertaken.

There was a strong relationship between the quality of preparation for business startup and the probability of business survival, both for immigrant women-run businesses, and for the total sample.

Businesses run by immigrant women with 'excellent-good' startup preparation were the most likely to be successful. In this category, 75% of businesses succeeded, compared to 20% of firms who were reported as having 'poor-very poor' startup preparation.

TABLE 3.21: MAJOR PROBLEMS CONFRONTED

Major Problems Survival Status	All Males		Sub-Samples Females Born		Australia	
	No.	%	Overseas No.	%	No.	%
Cash Flow						
Failures	974	57	20	77	178	57
Survivors	729	43	6	23	133	43
	1703		26		311	
Sales/Marketing						
Failures	792	57	15	79	133	55
Survivors	607	43	4	21	108	45
	1399	19	241		915	
Keeping/Using Records						
Failures	674	55	14	74	117	54
Survivors	553	45	5	26	99	46
	1227		19		216	
Management Incompetence						
Failures	412	57	7	70	67	52
Survivors	314	43	3	30	63	48
	726		10		130	
Government Red Tape						
Failures	292	46	4	44	47	44
Survivors	329	53	5	50	55	50
	621		10		111	
Economy/Business Conditions						
Failures	270	46	4	44	47	44
Survivors	316	54	5	56	60	56
	586		9		107	
Staffing/Unions						
Failures	132	40	2	33	25	42
Survivors	202	60	4	67	35	58
	334		6		60	
Responsibility/Time						
Failures	117	44	1	33	20	43
Survivors	151	56	2	67	26	57
	268		3		46	
TOTALS	6864		102		1222	

(Chi Square=10.75, df=7)

The relationship between adequacy of startup preparation and survival of the business is shown in Table 3.22

For the total sample the relationship between adequacy of startup preparation and survival of the business was also significant.

Long Term Capital Structure

The capital structure of a firm refers to its gearing ratio, or the proportion of borrowed funds to total equity invested in the business.

A company with a low gearing ratio is one in which 30% or less of its total capital in the form of borrowed funds a medium gearing ratio is 30%-70%, and a high ratio is greater than 70% of total capital.

There was a significant relationship between the average gearing ratio over twelve years of operation and the success of the business operated by immigrant women. Small businesses with a low average gearing ratio were most likely to succeed.

Of those immigrant women-run businesses with a low average gearing ratio, 75% were successful, compared with 40% for those with a medium ratio, and 13% for those with a high ratio.

The relationship between long term gearing ratio and success of the business is shown in Table 3.23.

TABLE 3.22: ADEQUACY OF STARTUP PREPARATION

Adequacy Rating Survival Status	All Males		Sub-Samples Females Born Overseas		Australia	
	No.	%	No.	%	No.	%
Excellent/Good						
Failures	276	36	4	25	61	36
Survivors	491	64	12	75	110	64
	767		16		171	
Above/Below Average						
Failures	2327	51	48	73	405	51
Survivors	2193	49	18	27	389	49
	4520		66		794	
Poor/Very Poor						
Failures	1060	67	16	80	177	69
Survivors	517	33	4	20	80	31
	1577		20		257	
TOTALS	6864		102		1222	

The relationship between long term gearing ratio and success of the business was also significant for the total sample. Businesses with a low gearing ratio were the most likely to survive.

Use of Formal, Written, Long Range Plans

Small business management has typically been characterised as dealing primarily with day-to-day concerns rather than long term projects and reactivity to change rather than planning.

Several studies have established that use of long range plans is associated with a higher rate of business success.

There was a significant relationship between use of long range (more than one year) plans and success, for those businesses operated by immigrant women.

Immigrant women-run firms which used long range plans consistently were most likely to succeed.

TABLE 3.23: LONG TERM CAPITAL STRUCTURE

Gearing Ratios Survival Status	All Males		Sub-Samples Females Born		Australia	
	No.	%	Overseas No.	%	No.	%
Low (<30%)						
Failures	212	28	4	25	33	25
Survivors	542	72	12	75	97	75
	754		16		130	
Medium						
Failures	1363	50	24	60	272	55
Survivors	1368	50	16	40	223	45
	2731		40		495	
High (>69%)						
Failures	2088	62	40	87	338	57
Survivors	1291	38	6	13	259	43
	3379		46		597	
TOTALS	6864		102		1222	

(Chi Square=18.29, df=2)

Of those firms using long range plans, 'consistently and well', 57% were successful, compared to 46% for those using plans 'occasionally', and 22% for those firms who reported using long range plans 'rarely, never, or poorly'.

The relationship between use of long range plans and success of the business is shown in Table 3.24.

There is also a significant relationship between use of long range plans and the success of business for men, but not for non-immigrant women. Businesses operated by non-immigrant women did not appear to significantly benefit from the use of long term plans. This finding was significant in that all other groups in this study benefited greatly from planning. This tends to be supported in the literature.

TABLE 3.24: USE OF FORMAL, WRITTEN LONG-RANGE (OVER ONE YEAR) PLANS

Rating Survival Status	All Males		Sub-Samples		Born	
			Females		Australia	
	No.	%	Overseas No.	%	No.	%
Consistently/Well						
Failures	311	48	3	43	45	46
Survivors	334	52	4	57	53	54
	645		7		98	
Occasionally						
Failures	1376	54	20	54	236	52
Survivors	1150	45	17	46	215	48
	2526		37		451	
Rarely/Never/Poorly						
Failures	1976	54	45	78	362	54
Survivors	1717	46	13	22	311	46
	3693		58		673	
TOTALS	6864		102		1222	

(Chi Square=7.66, df=2)

Updating of Technology and Product Knowledge

Any business's survival depends on product, service or technology. A vital part of this process is being constantly aware of how well the product/service is meeting changing market demands. Updating of technology used in the business improves product quality, and increases cost-effectiveness.

The relationship between updating knowledge of technologies and products and success of the business, was significant both for businesses operated by immigrant women, and for the total sample.

Businesses where updating was rated as 'excellent' were far more likely to succeed than those businesses which rated this as 'average': or 'below average'.

Of those businesses run by immigrant women which rated their updating as excellent, 46% survived, compared to 33% of those who rated this as average, and 18% of those who rated below average.

The relationship between updating knowledge of technologies and product knowledge is shown in Table 3.25. (Chi Square = 6.29, df = 2).

Review of Sales/Marketing Effectiveness. and Business Image

Monitoring the attitude of customers and potential customers to the business and what it sells, plays a large part in business success.

Monitoring how well the business sells itself is not only concerned with sales figures but also with the overall image projected to customers. Every business has a public image whether this is consciously planned or not.

There is a significant relationship between success of the business operated by immigrant women and how adequately this process of review is undertaken.

Small businesses run by immigrant women where this process of reviewing was either 'excellent' or 'average' were the more likely to be successful. 56% of businesses which rated their reviewing of sales, marketing and the business' image as 'excellent' were successful, compared to 50% of those who rated 'average' and 19% of those who rated 'below average'.

The relationship between reviewing and business success is shown in Table 3.26.

For the total sample the relationship between this process of review and business success was also significant.

Financial Management

This assessment was based on how well financial resources are managed. Consideration was given to the businesses liquidity, profitability, and financial risk ratio. There was no significant relationship between the quality of the owner/manager's overall financial management, and success of business as operated by immigrant women.

Firms operated by immigrant women were more likely however to be successful when the owner/manager's financial management skills were rated as 'excellent'. Of those

firms where financial management was rated as 'excellent', 50% survived, compared to 28% of those firms where financial management was rated as 'below average'.

Table 3.27 illustrates the relationship between the owner manager's financial management skills and success of the business.

TABLE 3.25: UPDATING OF TECHNOLOGY AND PRODUCT KNOWLEDGE

Rating Survival Status	All Males		Sub-Samples			
			Females		Born	
	No.	%	Overseas No.	%	Australia No.	%
Excellent/Good						
Failures	1242	55	21	54	136	32
Survivors	997	45	18	46	291	68
	2239		39		427	
Average						
Failures	1034	53	20	67	216	59
Survivors	929	47	10	33	151	41
	1963		30		367	
BA—R/N/P						
Failures	1387	52	27	82	291	68
Survivors	1275	48	6	18	137	32
	2662		33		428	
TOTALS	6864		102		1222	

(Chi Square=6.29, df=4)

TABLE 3.26: REVIEW OF SALES/MARKETING EFFECTIVENESS AND BUSINESS IMAGE

Rating Survival Status	All Males		Sub-Samples Females Born			
	No.	%	Overseas No.	%	Australia No.	%
Excellent/Good						
Failures	758	51	8	44	103	47
Survivors	730	49	10	56	117	53
	1488		18		220	
Average						
Failures	983	55	13	50	130	40
Survivors	804	45	13	50	199	60
	1787		26		329	
BA—R/N/P						
Failures	1922	54	47	81	410	61
Survivors	1667	46	11	19	263	39
	2662		33		428	
TOTALS	6864		102		1222	

* Below average—Rarely/Never/Poorly.

(Chi Square—12.72, df=0.05)

Financial management was found to be significantly related to success of the business for the total sample, however this relationship was not significant for males.

This suggests that men and immigrant women may be less pressured by financial constraints and require more limited financial management efforts.

Men are able to gain relatively easy access to finance through the traditional financial system. Women however find it more difficult to gain access to finance for their businesses so they must be more careful and vigilant about financial management if their business is to succeed.

Immigrant women may be less affected by discrimination in traditional sources of finance if they are able to access less traditional sources, especially family, relatives and friends and other sources within the ethnic communities.

Involvement in Business Management Training Programs

Attending management courses suggests that an owner/manager recognises the value of learning and of information. Rather than relying on their own current knowledge and

experience to solve new problems as they arise management training programs provide access to the experience and knowledge of others.

There was a significant relationship between the success of businesses run by immigrant women and involvement in business and management training programs.

Small businesses where immigrant women owner/manager had attended two or more courses were most likely to be successful.

Of those businesses where she had attended two courses, 69% were successful, compared to 22% of those firms where the owner/manager had not attended any courses.

Table 3.28 illustrates the relationship between the owner/manager's involvement in business management training programs and the success of the business. This relationship was also found to be significant for the total sample.

Survivability of the business increased according to the number of courses attended by the owner/manager. This result illustrates the value of education specifically aimed at developing skills and knowledge relevant to the small business person.

Consultation with External Advisers

External sources of advice may be expected to provide a resource of specialised information unavailable to any individual small business person. This applies both to professional advisers such as bank managers, accountants and consultants, and to informal sources such as family and friends.

Of the 102 businesses operated by immigrant women, 67 did not use external advisers, and 35 did. This reflects a tendency on the part of all small business people reported in other studies, (Williams 1985) to rely on their own ability to solve problems, rather than seeking outside help. Several studies agree that use of external sources of advice and assistance increases chances of business survival.

Small businesses operated by immigrant women were far more likely to be successful where the owner/manager had consulted external sources of business advice. Of those businesses which had used external advisers, 51% were successful compared to 24% for those who had not.

The relationship between use of external advisers and success of the business is shown in Table 3.29.

TABLE 3.27: FINANCIAL MANAGEMENT

Rating Survival Status	All Males		Sub-Samples			
			Females		Born	
	No.	%	Overseas No.	%	Australia No.	%
Excellent/Good						
Failures	764	53	9	50	101	44
Survivors	681	47	9	50	131	56
	1445		18		232	
Average						
Failures	1372	55	23	68	201	47
Survivors	1140	45	11	32	227	53
	2512		34		428	
BA—R/N/P						
Failures	1527	53	36	72	341	61
Survivors	1380	45	14	28	221	39
	2907		50		562	
TOTALS	6864		102		1222	

*Below average—Rarely/Never/Poorly

(Chi Square=2.87, df=2)

TABLE 3.28: INVOLVEMENT IN BUSINESS/MANAGEMENT TRAINING PROGRAMS

No. of Courses Attended Survival Status	All Males		Sub-Samples Females Born		Australia	
	No.	%	Overseas No.	%	No.	%
None						
Failures	2484	65	50	78	426	59
Survivors	1350	35	14	22	298	41
	3834		64		724	
One (1)						
Failures	683	54	14	67	144	56
Survivors	589	46	7	33	113	44
	1272		21		257	
Two (2)						
Failures	404	46	4	31	66	41
Survivors	476	54	9	69	95	59
	880		13		161	
Three (3)						
Failures	61	11	-		5	10
Survivors	474	89	3	10	55	92
	535		3		60	
More than 3						
Failures	31	9	-		2	10
Survivors	312	89	1	100	18	90
	343		1		60	
TOTALS	6864		102		1222	

(Chi Square=19.45, df=4)

TABLE 3.29: CONSULTATION WITH EXTERNAL ADVISORS AND 'MULTIPLIER AGENTS'

Consultations? Survival Status	All Males		Sub-Samples Females Born		Australia	
	No.	%	Overseas No.	%	No.	%
Yes						
Failures	1150	45	17	49	217	51
Survivors	1404	55	18	51	211	49
	2554		35		428	
No						
Failures	2513	58	51	76	426	54
Survivors	1797	42	16	24	368	46
	4310		67		794	
TOTALS	6864		102		1222	

(Chi Square=7.95, df=1)

This relationship was also found to be significant for the total sample.

A summary of factors affecting success follows (cf Figure 3.1)

FIGURE 3.1: SUMMARY OF FACTORS AFFECTING SUCCESS

	IMM WOMEN	NON IMM WOMEN	MALES	WHOLE SAMPLE
Age of Entry to Business Ownership	NS	S	S	NS
Education—No .of Years	NS	NS	S	S
—Duration and Relevance	S	NS	S	S
Experience as Employee	NS	S	S	S
—Duration and Relevance				
Experience as Manager in Same Area of Business	S	NS	S	S
Previous Business Ownership	S	NS	S	S
Marital and Family Support	NS	S	S	S
Father's Main Work	S	S	S	S
Parent's Financial Condition	S	S	NS	S
Siblings in Business	NS	NS	S	S
People vs Work Orientation	S	NS	S	S
Compliant Orientation	S	S	NS	S
Aggressive Orientation	S	S	S	S
Detached Orientation	S	S	NS	S
Role/Success Motivation	S	S	NS	S
Locus of Control	NS	S	NS	S
Ambiguity Tolerance	S	S	NS	S
Task & Achievement Motivation	S	S	NS	S
Major Problems	NS	NS	S	S
Adequacy of Startup	S	S	S	S
Capital Structure	S	S	S	-
Use of Formal Plans	S	NS	S	S
Updating Technology and Products	S	S	S*	S
Review Sales/Marketing	S	S	S	S
Financial Management	NS	S	NS	S
Involvement in Business	S	S	S	S
Management Training Courses				
Consult with External Advisors	S	NS	S	S
Risk Taking Propensity	NS	S	S	S

S=significant

NS= not significant

* Inversely

CHAPTER 4: FINDINGS

Introduction

A clear pattern emerges from our analysis of the characteristics of immigrant small business women and the factors influencing the success of their enterprises.

The most significant issues affecting immigrant women in small business can be divided into several key aspects which include:

- the owner/manager's background and path to small business;
- reasons for going into business and general motivation;
- support for the small business from spouse and family;
- personal traits and methods of interacting with others;
- means of coping with problems which arise in the business.

Immigrant small business women largely lack the relevant family background, education or experience which would assist in establishing and operating a small business.

Their spouses and families generally are unsupportive of their small business activity and many become involved in business as a reaction to negative factors in their lives.

The characteristics and dynamics of immigrant women's business largely reflects this lack of background in and support for her involvement in small business.

Immigrant women typically fail to adequately prepare for business or to engage in adequate business practices in areas such as planning, record keeping and financial management. As a consequence the survivability of enterprises owned by immigrant women is significantly lower than those operated by Australian born women or by men.

However, offsetting their clear disadvantages immigrant women are highly motivated toward success in their business.

Background

Age

Immigrant small business women were older on average when commencing business than all other small business people. This reflects the constraints imposed by family responsibilities, a period of time necessary to become sufficiently confident in a new culture, and greater opportunities for all women in the nineteen eighties to establish themselves in business. It has been noted, however, that the average age of small business women may vary substantially between areas of business, and that for some newer areas of business the average age may be considerably lower.

Education

The level of formal education achieved was generally not relevant to the success of immigrant small business women. However the overall duration and relevance of education, did contribute to their likelihood of operating a successful business.

An education which was relevant to the immigrant woman's small business pursuits contributed to the success of her business because it provided a basis for business which was largely unavailable through any other means.

This is highlighted through a comparison with Australian born women whose success is not significantly related to the duration and relevance of their formal education. Australian born women may be less dependent on their education because they are more easily able to draw on life experiences and knowledge of the business scene gained by living in the Australian milieu.

This suggests that access to relevant education and to business and societal experience may be important to the business success of immigrant women.

Financial Background

More than all other small business people, the financial background of the immigrant women's parents had a strong effect on their likelihood of operating a successful

business. Women from low income backgrounds were most likely to operate successful businesses.

This suggests that the motivation to be successful in business is increased by her early experience of financial insecurity. An immigrant woman from a working class background who seeks to establish and operate a small business is also likely to be atypical of small business people in general. Therefore such a woman is likely to be highly motivated to succeed in a course which she has consciously chosen.

Experience

Immigrant women had the least experience of all small business people in the areas of employment, management or business ownership. This study found that unlike other small business people, immigrant women were no more or less likely to be successful according to the amount of experience as an employee or as a business owner. Women with greater management experience however, were more likely to operate a successful business.

This suggests that immigrant women may not gain relevant knowledge and experience through employment either because they are not employed in the types of jobs which can generate appropriate experience or because they are discriminated against in employment.

In this general context, immigrant women who reach a management level are likely to be exceptional to have reached such a position and they also have the opportunity to gain appropriate experience at work. Therefore immigrant women with management experience are likely to have the wherewithall and the relevant experience to help them to succeed in business.

This point is reinforced through comparison with Australian small business women whose employment experience is significant to business success but whose management experience as an employee is not. This suggests that Australian born women are able to gain experience relevant to business through employment generally, and not necessarily only through management experience.

Employment experience and on the job training could therefore be of considerable potential in expanding the opportunities for immigrant women in establishing and successfully operating small businesses.

Reasons for Going into Small Business

Establishing the Business

This study and most of the literature on this subject suggest that many women establish their own business as a reaction to some form of dissatisfaction. Immigrant women who wanted to build a future investment for their family; to prove their ability to be a success; or who had no future as an employee were most likely to operate successful businesses. More than men, women who established small business seemed motivated by the desire for financial security.

Success Motivation

Immigrant women were the most highly motivated of all small business people to succeed in small business. This strong role success motivation was significantly related to the success of their businesses.

Australian born women were also highly role success motivated and their business success was significantly related to this.

In contrast, the success of small businesses operated by men was not significantly related to a strong motivation to succeed as a small business person.

This suggests that women in general who make a decision to establish a small business are unlikely to be half hearted about it and to make a very strong commitment to success. Further, the difficulties they face mean that they must have a high level of motivation in order to succeed.

Control

The perception identified by the study that women were highly motivated and committed to success in business is reinforced by their belief that they could contribute directly to this success.

A belief in their own ability to establish the requirements of their role as a small business person was reflected in a high inner directedness.

Immigrant women also believed the most strongly of all small business people that it would be their decisions and actions which would determine the outcome of events, rather than some external force or chance.

Immigrant women also had highest levels of general motivation and specific motivation to succeed in the owner/manager role.

Support for Small Business

Immigrant women received the lowest level of support from their spouse and family. They were most likely to rate the level of general support for the business as 'poor' or 'very poor'. Of those married immigrant small business women, more than 80% had spouses who were unable or unwilling to be involved in their wife's business.

Given the likelihood of responsibility of immigrant women for significant non-business commitments including family commitments, this lack of practical and emotional support could be expected to have a greater effect on business success for immigrant women than for other small business people.

Immigrant women however differed from all other groups, in that the level of support did not have a significant effect on the likelihood of business success. This suggests that immigrant women succeed in business despite a lack of support from family and spouse.

The importance of this is highlighted by the fact that family support was found to be highly significant to the success of small businesses run by men and Australian born women. No other group was able to overcome the constraints of a lack of family support as immigrant women who succeeded in business did.

Immigrant women appeared to overcome a lack of business experience and limited family support through a generally high level of motivation for and commitment to the success of their business.

However the lack of support clearly reduced the likelihood of business success as reflected in the fact that immigrant women were the least successful of all the small business groups examined .

There is a strong basis therefore for measures which can promote and legitimize the entrepreneurial role of women in Australian society. There is similarly a strong basis for reducing the impact of a lack of family support by providing an infrastructure to cope with family commitments.

Personal Traits and Methods of Interacting with Others

In the 'man's world' of small business and within a 'foreign' culture immigrant women embraced methods of interacting with others which increased the likelihood of success. Immigrant women prefer to concentrate on the work aspects of tasks, rather than with the people aspects.

Immigrant women were more work oriented than any other group and this orientation was significantly related to business success.

By concentrating on work aspects rather than people aspects of a task immigrant women appeared to reflect their strong motivation to succeed in business and to neutralize a stereotype that women may be too concerned about the people and nurturing role, even in business.

The stereotype of women being concerned about the nurturing role and being 'soft touches' in business may also influence the interpersonal style of successful immigrant small business

Immigrant women were more aggressive, and detached and less compliant in their business dealings. This interpersonal style was significantly related to the success of businesses operated by immigrant women.

In common with all other small business people a higher level of aggressive orientation was significantly related to the success of immigrant small business women.

Immigrant women and women in general who did not easily comply with the wishes of others and who were independent and detached were more successful. In contrast the success of male operated small business was not significantly influenced by these interpersonal traits.

This suggests that immigrant women and women in general need to assert themselves in the small business role in order to overcome societal and cultural stereotypes.

Management education for women entrepreneurs needs to confront the reality of these stereotypes by adequately alerting women to them and preparing women to deal with them.

Uncertainty and Risk

Immigrant women were slightly less tolerant of ambiguous and uncertain circumstances than Australian born women and males in small business. This result may appear counter intuitive given the considerable risk and uncertainty to which immigrant women were exposed in migrating to Australia.

It appears however that a combination of factors may be relevant. Primarily, low ambiguity tolerance is significantly related to the success of small business operated by women. This suggests that women who commit themselves to small business are likely to see uncertainty as a threat to their success and attempt to minimize it.

Their motivation to control outcomes and to succeed in business appears to offset a willingness to accept uncertainty and change which may have been a major element of the decision to migrate.

At the same time immigrant women were less averse to taking risks than all other groups of small business people examined. This suggests that although immigrant small business women sought a degree of certainty in business they were willing to assess new and difficult situations and to take calculated risks to pursue business success.

Addressing Problems in Business

Immigrant women tended to manage their businesses less effectively than all other groups of small business people examined.

Problems Identified

The problems identified as most serious by immigrant small business women were not significantly different from those problems common to all small business people. Immigrant women rated the two most significant problems confronted as sales and marketing, and cash flow. Although there was no significant relationship between the specific problems confronted and the likelihood of business success, small businesses run by immigrant women were most likely to fail where either sales and marketing or cashflow were the most significant problem area.

Business Dynamics

Businesses operated by immigrant women were characterized by very limited and poor preparation for their establishment; poor forward planning; poor financial management and limited assessment of effectiveness in marketing and business image.

Immigrant small business women did not tend to undertake management training or to use external advisors to assist in the business operation.

Immigrant women were the worst performers in all these areas. All, except financial management, were significant to the success of their businesses.

Finance

The lack of significance of financial management may be attributed to the limited borrowed funds, reflected in low gearing ratios, which immigrant women require for their businesses.

The literature has suggested that problems common to most small business people may pose added difficulties for women, in particular difficulties with finance. Women may face particular difficulties securing finance because of lack of access to banks and other sources of finance, poor or nonexistent financial track records, and general unfamiliarity with the banking system.

Qualitative data gathered for this study found that immigrant small business women were reluctant to approach banks because of anticipated or actual experience of an unsympathetic response and relied on non institutional sources such as family.

It appears that access to non institutional or non traditional sources of finance may reduce financial pressures on immigrant women thus explaining the lack of significance of financial management in the success of their enterprises.

Financial management is similarly not significant to male operated enterprises but probably for different reasons. Men are less likely to experience difficulties with banks and the traditional sources of finance and may experience fewer financial pressures as a result.

Australian born women however, may not have easy access to traditional or non traditional sources of finance. This may be reflected in the significance of good financial management to the success of their enterprises.

The failure of immigrant small business women in areas vital to the success of their enterprises suggests that the accessibility and relevance of small business training for immigrant women needs to significantly improved.

Conclusion

Immigrant small business women face considerable problems in pursuing a career in small business ownership. They lack education and background relevant to the successful pursuit of an entrepreneurial career. Typically they also receive very limited support for their involvement in small business from their spouse and family.

These problems mean that a high proportion of immigrant women fail in business.

However, immigrant small business women are very highly motivated and are extraordinarily committed to the success of their small business enterprise.

Immigrant women also embody significant untapped potential for contributing to economic wealth in Australia and enriching the nation's cultural diversity.

In order to assist immigrant small business women to address the problems which threaten the success of their businesses and to build on their strong motivation and commitment to succeed it is appropriate that specific initiatives are established to provide specific support to immigrant small business women.

CHAPTER 5: RECOMMENDATIONS

Introduction

Difficulties facing intending and current small business women, including immigrant women, can be divided into two areas:

- Barriers affecting women considering or planning a career in small business.
- Problems experienced by women managing their own business.

There is also potential for greater co-operation and support for small business women through greater contact and interaction between women.

Issues Affecting Women's Path to Small Business

Formal Education at the Secondary and Tertiary Level

The view that small business is a non traditional occupation for women and immigrant women is perpetuated by the education system. In Australia women and girls have not traditionally been encouraged towards a range of educational options which would both present a career in small business as a legitimate option and help to develop skills and knowledge of particular relevance to this occupation.

Whether this was true of the educational system in which women in this study were involved in their country of origin, is not known. However, this study reinforced the view that women regard their formal education as inappropriate to a career in small business. Although the relevance of their education contributed to the likelihood of business success, the level of education completed did not.

Immigrant women in particular have been found to be under represented in post secondary education and labour market programs which could develop business skills (Department of Immigration and Ethnic Affairs 1985). This suggests that where relevant education is offered, immigrant women in particular are either not sufficiently

encouraged or find the presentation of these courses to be in some ways intimidating or inaccessible.

Appropriate education and work experience at a secondary school level can assist in presenting a small business career as a serious option for women, and to build a range of relevant skills. It can also assist in developing confidence in dealing with a range of people in the business context. An increased awareness of women's interest in small business could also help to build an acceptance of women among the business community.

It is recommended that Governments examine further means of improving women's access to subjects and courses at a secondary and tertiary level which are more relevant to the requirements of establishing and running a business.

Training Aimed at Women Intending to Start a Business

This study found that immigrant women were the group least likely to attend management training courses. It found however that for small businesses run by immigrant women there is a direct relationship between business success and the owner/manager's attendance of management training courses. Where the small business woman had attended training courses the likelihood of success was significantly increased.

The literature and this study's qualitative data suggest that women are willing to undertake education and training when they are aware of the options and feel that it is directly relevant to their needs.

This study's qualitative data also indicated that women without experience or knowledge of business management find it difficult to take advantage of specific courses aimed at improving and developing particular business skills. Women with no knowledge of business find it difficult to know which courses are of most relevance to them.

Added to this, many women are unable to take up training opportunities because they are not aware of the availability of courses; were intimidated by the formal educational environment; found courses were not based on their experience and didn't address their needs; and because they experienced language difficulties in the training courses.

It is recommended that means by which more general information on the availability of small business courses and their subject matter can be made available be established. Specific strategies for information providers should be developed to reflect the particular needs of a particular time or community.

The development of education programs which take account of the specific needs of women, is also recommended. These specific needs may include greater emphasis on business skills and women-only classes.

General information on all aspects of small business aimed at women who know nothing about business before women are directed to courses aimed at specific business skills, is also recommended.

Use of female multi-lingual instructors and councillors is recommended. A substantial body of the literature on women and training has found that women feel more comfortable with female instructors, councillors etc.

Employment Experience

Relevant employment experience, especially at management level is invaluable to the successful establishment and operation of a woman-owned enterprise.

However this study and a large body of other research suggests that women are discriminated against in employment and are largely unable to get experience relevant to small business management, on the job.

It is recommended therefore that Federal and State Governments investigate and establish with the co-operation of the private sector, programs to promote on the job management experience for women.

Such an initiative could be commenced initially as part of the Federal Government's Affirmative Action Program.

In Victoria, it is recommended that State Government agencies through their Equal Opportunities Committees identify specific means by which women can gain management experience on the job. Support from the Victorian State Government for such a program could provide a model for other State Governments.

Problems Experienced by Women in Small Business

External Advice

Immigrant women were found to be the least likely of all small business people to make use of external advisers, of those women who did make use of advisers, a significant minority (13 out of 35), used an alternative to the bank managers, accountants and government officials. Most women who had used an 'alternative' source of advice specified family or friends. This result suggests that women prefer to use people they already know as a source of advice, and feel more comfortable with non-professional advisers.

In common with other small business people immigrant women demonstrated a preference for relying on their own ability to solve specific problems, rather than seeking outside advice.

Small business women were reluctant to use external sources of advice because they:

- didn't know about them
- didn't have sufficient knowledge of what was most relevant, or what questions to ask, etc
- were intimidated by professional instructors/advisers
- experienced language problems

This study's qualitative data suggested that a major reason why many women fail to use external sources of advice are that they are unsure how 'sympathetic' advisers will be.

It is recommended that Government small business support agencies examine the need to significantly increase the accessibility of their services to women. Consideration of specialist small business women advisers should be established as a priority.

Family Support and Childcare

This study has confirmed the desirability of family support in facilitating the establishment and operation of small business run by immigrant women or women in general.

A key issue is the availability and accessibility of childcare. Although there has been a considerable improvement in the availability of childcare in recent years, this needs to continue and accelerate.

It is recognised that the provision of childcare facilities in proximity to the parents' place of work is desirable. While there has been a recent increase in the number of work based childcare facilities these have been based on the larger companies in Australia.

The increased provision of community childcare facilities will benefit many women who operate their businesses from home or within the local community.

However for women who have established businesses away from community childcare facilities, typically in commercial and retail areas, childcare is more problematic.

It is recommended that the Federal and State Governments examine means of facilitating the establishment of childcare facilities in commercial and business areas.

Finance

As a consequence of the method of sample collection, quantitative analysis of data in this report could not establish the importance of discrimination against women in acquiring finance for their business.

However qualitative analysis confirms the vast majority of research which has indicated that discrimination does occur and influences the ability of women to establish their own business, and the size, growth and success of that business.

It is recommended that the Federal and State Governments jointly examine this question with the objective of establishing credit legislation similar to that in the USA or some other means, to reduce discrimination against women in getting finance for businesses and other ventures.

Community Attitudes

Community attitudes within the Australian society are largely unsupportive of women's involvement in business.

It is likely that this is a consequence of disinterest and a lack of understanding of the potential of women as a major untapped human resource.

It is recommended that Federal and State Government women's agencies consider means by which those unsupportive community attitudes can be changed through appropriate means including education programs in schools and advertising campaigns.

Contact Between Small Business Women

Small business is an isolated occupation often involving large amounts of time working alone or with intermittent contact with suppliers, customers etc. This is particularly true for women whose business is home-based, or who sell their product or service through a distributor, and have minimal contact with either the public or other small business people.

Immigrant small business women involved in this study's Reference Group operated businesses in a wide range of industry sub-sectors. These women stressed their relative isolation in business. Most rarely came into contact with other small business women, and even less often with other immigrant small business women. In the Reference Group the women stressed the benefit of contact with other small business women, in providing business contacts, promoting learning about small business management and providing support by sharing their experiences of coping with the rigours of small business.

This suggests that programs aimed at identifying difficulties experienced by small business women and at improving business skills, may be most effective in such groups. In addition to the formal learning possible in this environment, it would seem that small business women benefit very much from sharing their experiences with each other.

Networks

It also suggests that current efforts to establish business networks for women and immigrant women should be sustained and strengthened through government agencies and women's organizations.

A major problem identified by this study—the lack of family support for the immigrant small business woman—is not directly addressed by these recommendations. The improvement of business networks for women, greater accessibility to external advice and increased availability of community support services will partially assist in addressing this problem.

Further Research

The major lack of Australian research on women in small business and the constraints on the analysis that can be pursued with regard to some variables within this study clearly points to the need for a major Australian study into women (including immigrant women) in small business.

Such a study would need to rely on methodologies which ensure that a broad range of women can be identified and involved, including those working from home.

A careful development of behavioural assumptions would be necessary to ensure that male behaviours and motivations are not ascribed to small business women and inappropriately built into

The need for a wider rigorous study is now very pressing and is recommended for immediate consideration by State and Federal Governments.

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